

April 16, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**REQUEST FOR APPROVAL OF THE SUPERIOR COURT OF CALIFORNIA,  
COUNTY OF LOS ANGELES COLLECTION SERVICES AGREEMENT  
(ALL DISTRICTS - 4 VOTES)**

**IT IS JOINTLY RECOMMENDED WITH THE EXECUTIVE OFFICER/CLERK OF THE  
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES THAT YOUR  
BOARD:**

1. Approve and authorize the Chief Administrative Officer and the Executive Officer/Clerk of the Superior Court of California, County of Los Angeles (hereinafter Court) to jointly sign the attached Agreement with GC Services Limited Partnership to provide collection services to the Court for a commission rate of 15.7 percent of gross collections for a period of three years, effective May 1, 2002, with two one-year renewal options.
2. Authorize the Chief Administrative Officer and the Executive Officer/Clerk of the Superior Court to jointly exercise the renewal options under the terms of the Agreement.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

Under the Lockyer-Isenberg Trial Court Funding Act of 1997, the County of Los Angeles maintains responsibility for collection enhancement efforts. In 1996, the Board approved the Court Account Collection Services Master Agreement Number I96245 so that the Trial Court, on behalf of the County, would be able to initiate an effective and expedient means to enforce Court orders, pursue existing revenue sources, and recoup otherwise unrecoverable revenue. Under this Master Agreement, the Board approved three (3) Work Orders with GC Services Limited Partnership (hereinafter GC Services) to address the Court's need for professional collection services for the recovery of delinquent court accounts (fees, fines, assessments, etc.) considered uncollectable via the Court's traditional methods of enforcing payments. On April 30, 2002, this Master Agreement and the three (3) Work Orders will expire.

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Approval of this recommended Agreement will allow the Court to continue enforcing Court orders, sentences, and sanctions and will permit the Court to continue collection activities on behalf of the County, thus enabling the County to fulfill its responsibility for collection enhancement efforts.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This recommended action supports the County's Strategic Plan Goal of Fiscal Responsibility. Revenue generated under this Agreement will be used to partially finance the County's Maintenance of Effort obligation to the State for Trial Court Operations.

In addition, this action supports the County's Strategic Plan Goal of Organizational Effectiveness. The new Agreement, which provides for a single collection vendor for all courts in Los Angeles County, will improve internal operations by 1) streamlining administrative efforts; 2) reducing inconsistent collection procedures and assessment amounts for similar case types produced by multiple vendors; and 3) avoiding potential data integration problems due to incompatibility of multiple vendors' computer systems.

### **FISCAL IMPACT/FINANCING**

This is a revenue-producing agreement. The cost of contracting for collection services will be offset by the recovery of revenues that otherwise would be unrecoverable. Approximately 207,000 delinquent accounts with overdue payments of approximately \$126.3 million will be submitted for collection in the first year of the Agreement. There is no adverse impact on net County cost.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Government Code §26220 and Penal Code §1205 authorize the assignment of delinquent debt to a private vendor for the purpose of collection. However, before a debt owed to the County may be referred, the agreement with the private vendor must be ratified by a four-fifths vote of the County Board of Supervisors.

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The Board initially approved a pilot revenue collection program in 1992. Upon completion of the successful pilot collection program, the Board approved contract collection services under the aforementioned Master Agreement in 1996. In addition to contracting with a vendor to provide collection services, the Court also operated an in-house program, the Lynwood Regional Collection Center, which utilized the services of the Franchise Tax Board.

After court unification in January 2000, uniform rules and procedures for collection activities became necessary. In order to comply with this need, the County and Court have consolidated all collection services under one (1) collection vendor in this new Agreement. The Court believes that this single, integrated and inclusive approach will enable the County and the Court to realize maximum collection of delinquent Court fines and fees. In addition, contracting with a collection agency for the recovery of delinquent debt is a proven method of recouping otherwise unrecoverable revenue.

The Agreement contains provisions requiring the contractor to provide comprehensive collection services for all courts in Los Angeles County. These collection services include, but are not limited to, enhanced payment compliance of (a) traffic failure-to-appear matters; (b) traffic failure-to-pay matters; (c) failure-to-appear or failure-to-pay in criminal matters; (d) collection of other fines, fees, and forfeitures; and (e) attorney fee recovery for criminal and juvenile cases.

GC Services shall be responsible for all costs incurred while performing the contracted collection services. The County and Court will only pay commission on the collected amount and not on any other costs associated with the collection effort.

The terms and conditions of the Agreement have been approved as to form by County Counsel. Under the Agreement, the contractor is required to consider qualified GAIN/GROW participants for employment openings and to comply with the Child Support Services Department's Child Support Compliance Program. The Child Support Services Department has confirmed that the recommended vendor has complied with the requirement to file a Principal Owner Information Form with its office. This is not a Proposition A agreement and, therefore, the Living Wage Program (County Code Chapter 2.201) does not apply to the recommended Agreement.

### **CONTRACTING PROCESS**

A Request for Proposals (RFP) was released on January 7, 2002 to 48 vendors shown in Attachment 1 and also posted on the Los Angeles County Office of Small Business and Internal Services Department (ISD) web sites. Seven (7) vendors attended the Proposer's Conference held on January 23, 2002.

Six (6) responses were received and reviewed for compliance with the pre-selection criteria stated in the RFP. Two (2) of these responses were determined to be not in compliance with these pre-selection criteria and, therefore, did not qualify for further evaluation.

An Evaluation Committee, led by the Contracts Staff of ISD and included members from the Superior Court, the Treasurer/Tax Collector, the Chief Administrative Office, and the Child Support Services Department, evaluated the remaining four (4) responses in accordance with criteria set forth in the RFP.

Proposals were rated on the following criteria: 1) Plan for Providing Required Services; 2) Internal Controls; 3) Experience and Capability; and 4) Commission. Success rate was not a criterion in evaluating the proposals due to difficulties in incorporating the numerous variables associated with success rates into a single comprehensive formula. Instead, the County and the Court placed a greater significance on the RFP document which required that all interested vendors respond to a wide variety of questions intended to allow the County and the Court to examine and determine the best and most cost-efficient collection delivery plan.

The Evaluation Committee met and determined a score for each proposal. GC Services' proposal earned the highest score and offered the lowest commission rate for providing the required collection services. GC Services' submission included a detailed technical proposal that exceeded the RFP requirements in areas such as number of vendor support staff in courthouses; language diversity; payment options and locations; complaint resolution; automated system capabilities; internal payment controls; and meeting the requirements of Penal Code 1463.007, which would allow the County to charge the cities and the State their proportional share of collection costs, thereby resulting in an increase of revenue for the County. In terms of cost, transition time, and

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compatibility of court systems, GC Services' offer will provide the cleanest transition at the lowest cost.

Community Business Enterprise Program participation information for firms responding to the RFP are in Attachment 2. However, the contractor was selected without regard to gender, race, creed, or color for award of an Agreement.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the Agreement will allow the Court to continue and to expand its efforts to recoup otherwise unrecoverable revenues and will ensure a continued revenue stream to partially finance the County's Maintenance of Effort obligation to the State for Trial Court Operations.

Respectfully submitted,

DAVID E. JANSSEN  
Chief Administrative Officer

JOHN A. CLARKE  
Executive Officer/Clerk

DEJ:DL  
WW:CYL:ljp

Attachments

c: Executive Officer, Board of Supervisors  
County Counsel  
Auditor-Controller

collection.bl

**ATTACHMENT 1**

**CONTRACTOR MAILING LIST  
COURT COLLECTION SERVICES**

1 <sup>st</sup> Nationwide Resource Group	Medac
Access Capital Services, Inc.	Municipal Resource Consultants
Affiliated Computer Services (ACS)	Municipal Services Bureau
Alliance One	Municipal Services Bureau
Alliance One	Municipal Services Group, Inc.
Allied Interstate	National Revenue Corp.
Attorney Collection Services	North American Collector, Inc.
Caine and Weiner Co., Inc.	Outsourcing Solutions, Inc.
California Business Bureau, Inc.	Payco American Corp.
CMI Credit Mediators, Inc.	Professional Recovery Systems
Collection Technology, Inc.	Progressive Management Systems
Creditors Specialty Service	Recovery Bureau of America, Inc.
David Farrar, Attorney	Reliable Adjustment Bureau
Dun & Bradstreet, RMS	Risk Management Alternatives
Dun & Bradstreet, RMS	Robinson & Assoc.
Equity Collection Service	SCA Credit, Inc.
Executive Courier Services	Scoliere & Assoc.
GC Services Limited Partnership	Sequoia Financial Services
GE Capital Great Lakes Bureau	Southern California Creditors
Gess Associates	Transworld Systems, Inc.
Government Services, AppleOne	Transworld Systems, Inc.
Grant and Weber	United Merchants Assn.
Linebarger Law	USCB, Inc.
Lockheed Martin	West Capital Financial Services

Note: Duplicate names indicate different business units of a parent organization.

**ATTACHMENT 2**

**COMMUNITY BUSINESS ENTERPRISE PROGRAM PARTICIPATION  
MINORITY/WOMEN INFORMATION**

	GC SERVICES	OSI	ACS	LINE- BARGER
TOTAL NUMBER OF EMPLOYEES/OWNERS	9784	8880	5171	730
PARTNERS/ASSOCIATES:	(Not stated)	Public	Public	
Black/African American				6
Hispanic/Latin American				6
Asian American				1
Filipino American				
American Indian/Alaskan				1
All Others				35
Women (included in above)				14
MANAGERS				
Black/African American	139	292	201	7
Hispanic/Latin American	117	83	123	24
Asian American	22	19	38	1
Filipino American				
American Indian/Alaskan	2	4	5	
All Others	467	913	565	42
Women (included in above)	408	637	442	39
STAFF:				
Black/African American	3181	3378	1201	99
Hispanic/Latin American	2436	746	1117	236
Asian American	422	303	266	15
Filipino American				
American Indian/Alaskan	18	43	18	2
All Others	2920	3099	1637	255
Women (included in above)	6365	5252	2893	491
TYPE OF BUSINESS STRUCTURE:				
(Corp. = C; Partner = P; Sole Proprietor = S)	P	C	C	P
TOTAL NUMBER OF OWNERS/PARTNERS, ETC.				
PERCENT OF OWNERSHIP:		Public	Public	
Black/African American				12%
Hispanic/Latin American				12%
Asian American				2%
Filipino American				
American Indian/Alaskan				2%
All Others	100%			72%
Women (included in above)				28%
CURRENT CERTIFICATION AS COMMUNITY BUSINESS ENTERPRISE (CBE) OWNED FIRM:				
State of California - Yes/No	No	No	No	No
City of Los Angeles - Yes/No	No	No	No	No
Federal Government - Yes/No	No	No	No	No

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(logo)

**AGREEMENT**  
**BY AND BETWEEN**  
**THE COUNTY OF LOS ANGELES**  
**FOR THE**  
**SUPERIOR COURT OF LOS ANGELES COUNTY**  
**AND**  
**GC SERVICES LIMITED PARTNERSHIP**

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## LOS ANGELES SUPERIOR COURT COLLECTION SERVICES

### AGREEMENT

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**AGREEMENT,**

made and entered into this Sixteenth day of April, 2002,

**BY AND BETWEEN**

**THE COUNTY OF LOS ANGELES** (hereinafter referred to as "the COUNTY") for

**THE SUPERIOR COURT OF LOS ANGELES** (hereinafter referred to as "LASC")

**AND**

**GC SERVICES LIMITED PARTNERSHIP** (hereinafter referred to as "the CONTRACTOR")

for Superior Court of Los Angeles collection services (hereinafter referred to as "Services").

**W I T N E S S E I H**

**WHEREAS**, Section 26220 of the California Government Code allows the COUNTY, by a four-fifths vote of its Board of Supervisors, to enter into an agreement with a collection agency for the collection of delinquent accounts; and

**WHEREAS**, the CONTRACTOR has submitted a proposal to the COUNTY for provision of Services and the CONTRACTOR has been selected for recommendation of award of such Agreement; and

**WHEREAS**, the Los Angeles County Superior Court, on behalf of the COUNTY shall administer said Agreement;

**NOW THEREFORE**, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto and each of them do agree as follows:

**1. APPLICABLE DOCUMENTS**

- A. Exhibits A and B as set forth below are attached to and form a part of this Agreement.
- B. In the event of any conflict in the definition or interpretation of any word, responsibility, or service, between the Agreement and Exhibits, or between Exhibits, said conflict or inconsistency shall be resolved by giving precedence first to the Agreement, and then to the Exhibits according to the following priority:
  - Exhibit A – Statement of Work
  - Exhibit B – Employee Acknowledgement and Confidentiality Agreement
- C. This Agreement and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties that supersedes all previous agreements, written or

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oral, and all other communications between the parties relating to the subject matter of this Agreement.

## **2. PROJECT RESPONSIBILITY – THE COUNTY/THE CONTRACTOR**

### **A. THE COUNTY – AGREEMENT ADMINISTRATOR**

The LASC will administer this agreement on behalf of the COUNTY. The COUNTY'S Project Director (hereinafter referred to as "CPD") is an employee of the Superior Court of Los Angeles County and shall be responsible for ensuring that the objectives of this Agreement are met and determining the CONTRACTOR'S compliance with the Agreement.

The COUNTY'S Project Director (CPD) is:

Name: Alf Schonbach  
Title: Administrator, Finance and Accounting  
Address: 111 North Hill Street, Room 110-A  
Los Angeles, CA 90012  
Telephone: (213) 974-5972

The COUNTY'S Project Manager (hereinafter referred to as "CPM") will administer this agreement on a day-to-day basis. The CPM is an employee of the Superior Court of Los Angeles County and shall be the initial and primary contact between the COUNTY and the CONTRACTOR for all matters relating to the Agreement.

The COUNTY'S Project Manager (CPM) is:

Name: Michael Gatiglio  
Title: Court Manager  
Address: 111 North Hill Street, Room 438-A  
Los Angeles, CA 90012  
Telephone: (213) 974-5972

COUNTY shall notify the CONTRACTOR in writing of any changes in personnel. The COUNTY'S Project Director shall provide overall direction and coordination of the agreement and is authorized to make changes in the terms and conditions of this Agreement only in accordance with Section 3, "Changes and Amendments", of this Agreement. The COUNTY'S Project Director shall also provide information to the CONTRACTOR in areas relating to policy, program information and procedural requirements. The COUNTY'S Project Manager shall provide day-to-day administration of the agreement.

### **B. THE CONTRACTOR – CONTRACT MANAGER**

1) The CONTRACTOR'S Contract Manager is:

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Name: Jason R. Swaney  
Title: Asst. Contract Project Manager  
Address: 4900 Rivergrade Road, Suite D210  
Irwindale, CA 91706  
Phone: (626) 851-8211

who is a full-time employee of the CONTRACTOR, and who shall be responsible for the CONTRACTOR'S day-to-day activities related to this Agreement. The CONTRACTOR'S Contract Manager shall have full authority to act on behalf of the CONTRACTOR in all matters relating to the daily operation of this Agreement, including the execution of Change Notices and Amendments for this Agreement made pursuant to Section 3, "Changes and Amendments" of this Agreement. The CONTRACTOR'S Contract Manager shall be available in Los Angeles County on a daily basis during the business hours of 8:00 a.m. to 5:00 p.m. for telephone contact and to meet with COUNTY personnel regarding the operation of the Agreement.

- 2) When work is performed at times other than described above, or when the CONTRACTOR'S Contract Manager cannot be present, an alternate shall also be identified to act in the Contract Manager's absence. The CONTRACTOR shall inform the COUNTY in writing of the names, addresses, and telephone numbers of the individuals designated to act as Contract Manager and alternate at the time the Agreement is implemented and as changes occur during the term of the Agreement. The CONTRACTOR shall make such notification no later than five (5) working days after a change occurs and shall include a current resume for the new Contract Manager or alternate. The COUNTY shall have the sole right to approve the assignment or replacement of any Contract Manager or alternate recommended by the CONTRACTOR.

### **3. CHANGES AND AMENDMENTS**

The CONTRACTOR and the COUNTY may mutually agree to change any portion of the Services required under this Agreement, or amend such other terms and conditions which may become necessary. Any such revisions shall be accomplished in this Section 3.

- A. Executive Officer/Clerk of LASC and the Chief Administrative Officer of the County of Los Angeles are jointly authorized to change the specific conditions as set forth in the Statement of Work, Exhibit A via Change Notice.
- B. Executive Officer/Clerk of LASC, and the Chief Administrative Officer of the County of Los Angeles, or designee, are jointly authorized to change the term via Change Notice, as provided for in Paragraph 5.0.
- C. For any change that affects any other term or condition included in this Agreement, a negotiated modification shall be prepared therefore, executed by the CONTRACTOR, and thereafter by the COUNTY'S Board of Supervisors.

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**4. CONTRACTOR'S SERVICES**

- A. The CONTRACTOR is hereby required to render and provide Court Account Collection Services in the manner and form described in the body of this Agreement and as set forth in Exhibit A, "Statement of Work", attached hereto, and as may be amended from time to time in accordance with Section 3, "Changes and Amendments".
- B. The CONTRACTOR agrees that the performance of work and services pursuant to the requirements of this Agreement shall conform to high professional standards as exist in the CONTRACTOR'S profession or field of practice.
- C. The CONTRACTOR agrees that should work be performed outside the scope of the Statement of Work without the prior written approval of the COUNTY in accordance with Section 3, "Changes and Amendments" of this Agreement, such work shall be deemed to be a gratuitous effort on the part of the CONTRACTOR, and the CONTRACTOR shall have no claims, therefore, against the COUNTY.

**5. TERM**

- A. The term of this Agreement shall be for a period of three (3) years, if not sooner terminated as provided herein, commencing on May 1, 2002 after approval thereof by the COUNTY'S Board of Supervisors, with two (2) one-year renewal options, which may be exercised jointly by the Executive Officer/Clerk of LASC and the Chief Administrative Officer of the County of Los Angeles, or designees, on an annual basis. In the event the COUNTY desires to renew this Agreement, COUNTY shall provide the CONTRACTOR with a written notice of such renewal thirty (30) calendar days prior to the expiration of the term of this Agreement.
- B. By reasons or acts beyond the control of the COUNTY, this Agreement may be terminated by the COUNTY without liability for damages whenever the COUNTY is prevented by operation of laws, Acts of God, or by the official action of local, state, or federal authorities, from complying with the provisions of this Agreement.
- C. The COUNTY may terminate services performed under this Agreement by delivery to the CONTRACTOR of a thirty (30) calendar day advance Notice of Termination, in accordance with Section 33, "Notices", specifying the date upon which such termination becomes effective.

**6. COUNTY'S QUALITY ASSURANCE PLAN**

The COUNTY or its agent will evaluate CONTRACTOR'S performance under this Agreement on not less than an annual basis. Such evaluation will include assessing CONTRACTOR'S compliance with all Agreement terms and conditions and performance standards. CONTRACTOR deficiencies which COUNTY determines are severe or continuing and that may place performance of this Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvements/corrective action measures taken by COUNTY and CONTRACTOR. If improvement does not occur consistent with the corrective action measures, COUNTY may terminate this Agreement in whole or in part or impose other

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penalties as specified in this Agreement.

**7. LIQUIDATED DAMAGES**

- A. All time limits and required acts to be done by both parties are the essence of this Agreement. If CONTRACTOR fails to perform or complete the required work at the times set forth herein, then it is mutually understood and agreed that the nature of the resultant damages will be extremely difficult and impractical to fix. COUNTY and CONTRACTOR have endeavored to fix the amount of said damages in advance; such that the amount set forth hereinafter are the nearest and most exact measures of damages for such breach that can be fixed at or after such breach; and that, therefore, COUNTY and CONTRACTOR hereby fix the liquidated damages set forth hereinafter, not as a penalty or forfeiture for breach of this Agreement.
- B. In any case of any such breach, COUNTY may assess liquidated damages of \$1,000 per day for each day, or part thereof that the deficiency continues and add said amount to the amount due from the CONTRACTOR under this Agreement.

**8. COMMISSION AND INVOICING**

- A. CONTRACTOR shall invoice COUNTY only for collection fees for services as specified in Exhibit A, Statement of Work, that have resulted in the remittance of financial instruments (e.g., cash, checks, credit card remittances, etc.) to CONTRACTOR and subsequent deposit of the financial instruments into COUNTY Bank Account(s).
- B. CONTRACTOR'S invoice shall be priced at the Commission Rate 15.7 % of Total Gross Collections deposited to COUNTY bank accounts during the period of the invoice.
- C. CONTRACTOR shall submit to the COUNTY one invoice each month by the 5<sup>th</sup> business day of the month following the month deposits are made to the COUNTY'S Bank Account(s). Invoice shall be presented to COUNTY under the conditions and with the information set forth in Section 10, paragraph L and paragraph M of Exhibit A, Statement of Work. An invoice without the required information will not be approved for payment.
- D. Invoices shall be submitted with two (2) copies to the CPM for COUNTY approval of the work performed.
- E. In the event that the COUNTY'S Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of COUNTY employees and imposes similar reductions with respect to County Agreements, the COUNTY reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year services provided by the CONTRACTOR under the Agreement. The COUNTY'S notice to the CONTRACTOR regarding said reduction in payment obligation shall be provided within 30 calendar days of the Board's approval of such actions. The CONTRACTOR shall continue to provide all of the services set forth in the Agreement.



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**9. ASSIGNMENT**

- A. The CONTRACTOR shall not, without express written consent of the COUNTY, assign and/or delegate its rights and duties hereunder, either in whole or in part. Any attempted assignment without said consent shall render this Agreement, as well as the attempted assignment, null and void.
- B. Upon successful assignment, each and all of the provisions, agreements, terms, covenants and conditions herein contained, to be performed by the CONTRACTOR, shall be binding upon any assignee thereof.
- C. Neither this Agreement nor any interest therein shall be transferable in proceedings in attachment or execution against the CONTRACTOR, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against the CONTRACTOR, or by any process of law including proceedings under Chapter 7 or 11 of the Federal Bankruptcy Code.
- D. Shareholders and/or partners of the CONTRACTOR may transfer, sell, exchange, assign or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchanges, assignment or divestiture is effected in such a way as to give majority control of the CONTRACTOR to any persons, corporation, partnership or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, approval thereof shall be required. Consent to any such transfer shall only be refused if the COUNTY finds that the transferee is lacking in experience and/or financial ability to conduct the Services.

**10. WARRANTY AGAINST CONTINGENT FEES**

- A. The CONTRACTOR warrants and represents that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the CONTRACTOR for the purpose of securing business.
- B. For breach or violation of this warranty, the COUNTY shall have the right to terminate this Agreement in accordance with Section 28, "Events of Default", and/or, at its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

**11. CONFLICT OF INTEREST**

- A. The CONTRACTOR represents and warrants that no COUNTY employee whose position in the COUNTY enables him/her to influence the award of this Agreement or any competing Agreement, and no spouse or economic dependent of such employee is or shall be employed in any capacity by the CONTRACTOR herein, has or shall have any direct or indirect financial interest in this Agreement.
- B. The CONTRACTOR further represents and warrants that the CONTRACTOR, its agents,

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and employees will not engage in any activity or enterprise giving rise to an actual or apparent conflict of interest with the CONTRACTOR'S duties under this Agreement.

**12. INDEPENDENT CONTRACTOR STATUS**

- A. CONTRACTOR is an independent contractor. This Agreement shall not create the relationship of agent, servant, employee, partnership, joint venture or association between COUNTY and CONTRACTOR. The employees and agents of one party are not the employees or agents of the other party for any purpose whatsoever.
- B. CONTRACTOR is solely responsible for providing all workers' compensation insurance and benefits, liability insurance, employer taxes, compensation, and benefits to, or on behalf of, all persons performing work pursuant to this Agreement. COUNTY shall have no responsibility or liability for the payment of any salaries, wages, unemployment insurance, payroll taxes, disability insurance or benefits, or federal, state, or local compensation, benefits, or taxes for any personnel provided by or on behalf of CONTRACTOR.

**13. SUBCONTRACTING**

- A. No performance of this Agreement or any portion thereof shall be subcontracted by the CONTRACTOR without the express written consent of the COUNTY. Any attempt by the CONTRACTOR to subcontract any performance of Services under this Agreement without the COUNTY'S prior written consent shall be deemed a material breach of this Agreement. In the event of such a breach, this Agreement may be terminated forthwith.
- B. In the event that the COUNTY consents to subcontracting, the CONTRACTOR shall include in all subcontracts the following provision: "This Agreement is a subcontract under the terms of a prime contract with the COUNTY of Los Angeles and shall be subject to all the provisions of such prime contract. All representations and warranties shall inure to the benefit of the COUNTY of Los Angeles".
- C. The CONTRACTOR'S request to the COUNTY for approval to enter into a subcontract shall include:
  - 1) A description of the services to be provided by the subcontractor.
  - 2) Identification of the proposed subcontractor and a description of the manner in which the proposed subcontractor was selected, and a statement of the extent of competition, if any, involved in the award of the subcontract.
  - 3) A draft copy of the proposed subcontract, which must contain, at a minimum, all provisions of this Agreement.
  - 4) Any other information or certifications requested by the COUNTY.
- D. CONTRACTOR shall indemnify and hold COUNTY harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree

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as if such subcontractor(s) were CONTRACTOR employees.

- E. CONTRACTOR shall remain fully responsible for all performances required of it under this Agreement, including those which CONTRACTOR has determined to subcontract, notwithstanding LASC'S approval of CONTRACTOR'S proposed subcontract.
- F. LASC'S consent to subcontract shall not waive LASC'S right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. CONTRACTOR is responsible to notify its subcontractors of this LASC right.
- G. The CPD or his designee is authorized to act for and on behalf of COUNTY with respect to approval of any subcontracting and subcontractor employees.
- H. CONTRACTOR shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agent, and successors in interest arising through services performed hereunder, notwithstanding LASC'S consent to subcontract.
- I. CONTRACTOR shall deliver to both the CPD at the address identified above and the Assistant Division Chief, Public Justice Section, Chief Administrative Office, 754 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012 a fully executed copy of each subcontract entered into by CONTRACTOR before any work may be performed under such subcontract.
- J. CONTRACTOR shall obtain both of the following from each approved subcontractor:
  - 1) An executed subcontractor Employee Acknowledgement and Confidentiality Agreement, Exhibit B, for each subcontractor employee approved to perform work hereunder; and
  - 2) Certificates of insurance, which establish that the subcontractor maintains all, the programs of insurance required by COUNTY.

#### **14. RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT**

- A. The CONTRACTOR shall maintain books, records, documents and other evidence in accordance with generally accepted accounting principles, procedures, and practices to support all claims for commission payment made by the CONTRACTOR to the COUNTY. The CONTRACTOR shall also maintain a file on each account referred and assigned to it pursuant to this Agreement. Such files may be maintained as hard copy documents and/or in computer data files. Each account's file shall contain a record of any and all telephone calls, letters, and any other contact made with the client or third party regarding the account. All such records shall be maintained at the CONTRACTOR'S office that is providing Services pursuant to this Agreement.
- B. The CONTRACTOR agrees that the COUNTY personnel, or any other authorized State and Federal personnel or any duly authorized representatives thereof (hereinafter

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collectively referred to as "the COUNTY"), shall have access to and the right to examine, audit, excerpt, copy or transcribe any pertinent account file transaction record, activity record, time card, or other records relating to this Agreement during normal business hours within Los Angeles County. The CONTRACTOR agrees to provide the COUNTY access to the CONTRACTOR'S computer system in order to view such material online. Such material, including but not limited to all pertinent cost, accounting, financial, bank, and tax records and ledgers, and proprietary data, shall be retained by the CONTRACTOR for a period of five (5) years after the term of this Agreement unless the COUNTY'S written permission is given to dispose of such material prior to the end of such period.

- C. The COUNTY hereby retains the right to conduct, during normal business hours, an audit and re-audit of the records indicated in Paragraph B above, and business conducted by the CONTRACTOR, and observe the operation of the business so that accuracy of the above records and any of the CONTRACTOR'S claims for Services provided can be confirmed. In the event the COUNTY exercises this Section 14, the COUNTY shall provide the CONTRACTOR with at least twenty-four (24) hours written notice. The COUNTY reserves the right to require the CONTRACTOR to provide additional reports and record-keeping processes as the COUNTY deems is reasonable in order to verify the CONTRACTOR'S provision of Services and claims for same. All information obtained in connection with the COUNTY'S inspections of records or audit shall be treated as confidential information and exempt from public disclosure thereof to the extent permitted by law.
- D. If, at any time during the term of this Agreement or at any time after the expiration or termination of this Agreement, authorized representatives of the COUNTY conduct an audit of the CONTRACTOR regarding the Services provided to the COUNTY hereunder, and if such audit finds that the COUNTY'S dollar liability for such Services is less than the payments made by the COUNTY to the CONTRACTOR, then the CONTRACTOR agrees that the difference (including an amount equal to the effective Federal funds rate times the amount of the difference, divided by 360, calculated and compounded for each day the actual liability was incorrect), at the COUNTY'S discretion, should be either: (1) repaid forthwith by the CONTRACTOR to the COUNTY by cash payment within five (5) business days of notification of such liability by the COUNTY, or (2) at the COUNTY'S option, credited against any future payments hereunder to the CONTRACTOR. If such audit finds that the COUNTY'S dollar liability for Services provided hereunder is more than payments made by the COUNTY to the CONTRACTOR, then the difference shall be paid to the CONTRACTOR by the COUNTY.

## **15. DISCLOSURE OF INFORMATION**

- A. The CONTRACTOR shall not disclose any details in connection with this Agreement to any party except as may be otherwise provided herein or required by law. However, in recognizing the CONTRACTOR'S need to identify its services and related clients to sustain itself, the COUNTY shall not prohibit the CONTRACTOR from publicizing it's role under this Agreement with the following conditions:
- 1) The CONTRACTOR shall develop all publicity material in a professional manner.

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- 2) During the course of performance of this Agreement, the CONTRACTOR, its employees, agents, and subcontractors shall not publish or disseminate commercial advertisements, press releases, opinions or feature articles, using the name of the COUNTY or LASC without the prior written consent of the COUNTY. Said consent shall not be unreasonably withheld.
  - 3) The CONTRACTOR may, without prior written permission of the COUNTY, indicate in its bids, proposals, and sales materials that it has been awarded a Agreement to provide services, provided, however, that the requirements of this provision shall apply.

B. Confidentiality

- 1) The CONTRACTOR shall maintain the confidentiality of all records obtained from the COUNTY under this Agreement for a period of five (5) years after the term of this Agreement in accordance with all applicable Federal, State or local laws, ordinances, regulations and directives relating to confidentiality.
- 2) The CONTRACTOR shall inform all of its officers and employees providing services hereunder of the confidentiality provisions of this Agreement. The CONTRACTOR shall cause each employee performing services covered by this Agreement to sign and adhere to Exhibit B, "Employee Acknowledgement and Confidentiality Agreement."

**16. COMPLIANCE WITH LAWS**

- A. The CONTRACTOR shall conform to and abide by all applicable municipal, the COUNTY, State and Federal laws, rules, regulations, ordinances, and directives, and all provisions required to be included in this Agreement are incorporated by this reference.
- B. The CONTRACTOR agrees to indemnify and hold the COUNTY harmless from any loss, damage, liability, or expense resulting from a violation by the CONTRACTOR, its officers, employees, agents or subcontractors of such laws, rules, regulations or ordinances and directives.

**17. COMPLIANCE WITH WAGE AND HOUR LAWS**

The CONTRACTOR shall indemnify, defend and hold harmless the COUNTY, its agents, officers and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorney's fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards Act for Services performed by the CONTRACTOR'S employees for which the COUNTY may be found jointly or solely liable.

**18. MINIMUM AGE, LANGUAGE SKILLS AND LEGAL STATUS OF CONTRACTOR PERSONNEL AT FACILITY**

The CONTRACTOR shall not assign employees under the age of 18 to perform work under this Agreement. All of CONTRACTOR'S employees working at COUNTY facilities must be able to

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communicate in English. CONTRACTOR'S employees must be United State citizens or legally present and permitted to work in the United States.

**19. COMPLIANCE WITH CIVIL RIGHTS LAWS**

The CONTRACTOR hereby assures that it will comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1973, where applicable, and Title 43, part 17 of the Code of Federal Regulations Subparts A and B, to the end that no persons shall, on the grounds of race, creed, color, national origin, political affiliation, marital status, sex, age, or handicap, be subjected to discrimination under the privileges and use granted by this Agreement or under any project, program or activity supported by this Agreement.

**20. NON-DISCRIMINATION IN EMPLOYMENT**

- A. The CONTRACTOR certifies and agrees that all persons employed by the CONTRACTOR, its affiliates, subsidiaries, or holding companies, are and will be treated equally by it without regard to or because of race, color, religion, ancestry, national origin, political affiliation, marital status, sex, age, or handicap, in compliance with all applicable Federal and State non-discrimination laws and regulations.
- B. The CONTRACTOR shall take affirmative action to ensure that qualified applicants are employed and that employees are treated during employment without regard to or because of race, color, religion, ancestry, national origin, political affiliation, marital status, sex, sexual orientation, age, or disability. Such action shall include, but is not limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.
- C. The CONTRACTOR shall deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, political affiliation, marital status, sex, sexual orientation, age, or physical or mental disability, marital status, or political affiliation.
- D. The CONTRACTOR shall allow the COUNTY representatives access to employment records during regular business hours in order to verify compliance with the provisions of this Section 18 when so requested by the COUNTY.
- E. If the COUNTY finds that any of these provisions has been violated, such violation shall constitute a material breach upon which the COUNTY may terminate or suspend this Agreement. While the COUNTY retains the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, any determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the CONTRACTOR has violated State or Federal anti-discrimination laws or regulations shall also constitute a finding by the COUNTY that the CONTRACTOR has violated the anti-discrimination provisions of this Agreement.

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- F. In the event the CONTRACTOR violates the anti-discrimination provisions of this Agreement, the COUNTY shall, at its option, be entitled to a sum of FIVE HUNDRED DOLLARS (\$500.00), pursuant to California Civil Code Section 1671, as liquidated damages in lieu of terminating this Agreement.

**21. EMPLOYMENT ELIGIBILITY VERIFICATION**

- A. The CONTRACTOR warrants that it fully complies with all statutes and regulations regarding employment eligibility of aliens and others, that all persons performing Services under this Agreement are eligible for employment in the United States. For breach or violation of this warranty the COUNTY shall have the right to terminate this Agreement in accordance with Section 28, "Events of Default".
- B. The CONTRACTOR represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. The CONTRACTOR shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.
- C. The CONTRACTOR shall indemnify, defend, and hold harmless the COUNTY, its agents, officers and employees from any employer sanctions and other liability which may be assessed against the COUNTY or the CONTRACTOR in connection with any violations of Federal statutes or regulations pertaining to the employment of aliens performing Services hereunder.

**22. CONSIDERATION OF HIRING THE COUNTY EMPLOYEES TARGETED FOR LAYOFFS**

Should the CONTRACTOR require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, the CONTRACTOR shall give first consideration for such employment openings to qualified permanent the COUNTY employees who are targeted for layoff after the effective date of this Agreement.

**23. CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT**

Should the CONTRACTOR require additional or replacement personnel after the effective date of this Agreement, the CONTRACTOR shall give consideration for any such employment openings to participants in the COUNTY'S Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet the CONTRACTOR'S minimum qualifications for the open position. The COUNTY will refer GAIN participants by job category to the CONTRACTOR.

**24. THE CONTRACTOR'S WARRANTY OF ADHERENCE TO THE COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM**

The CONTRACTOR acknowledges that the COUNTY has established a goal of ensuring that all individuals who benefit financially from the COUNTY through Agreement are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the COUNTY and its taxpayers.

As required by the COUNTY'S Child support Compliance program (The County Code Chapter

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2.200) and without limiting the CONTRACTOR'S duty under this Agreement to comply with all applicable provisions of law, the CONTRACTOR warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

**25. THE CONTRACTOR'S ACKNOWLEDGEMENT OF THE COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT**

The CONTRACTOR acknowledges that the COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The CONTRACTOR understands that it is the COUNTY'S policy to encourage all the COUNTY Contractors to voluntarily post the COUNTY'S "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at the CONTRACTOR'S place of business. The COUNTY'S Child Support Services Department will supply the CONTRACTOR with the poster to be used.

**26. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT**

The CONTRACTOR shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

**27. LOBBYIST**

The CONTRACTOR and each COUNTY lobbyist or COUNTY lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by the CONTRACTOR, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of the CONTRACTOR or lobbyist or the County lobbying firm retained by the CONTRACTOR to fully comply with the County Lobbyist Ordinance shall constitute a material breach of contract upon which the COUNTY may immediately terminate or suspend this Agreement.

**28. EVENTS OF DEFAULT**

The COUNTY shall be sole judge as to satisfactory performance and may terminate this Agreement for default, pursuant to Section 29, "Termination For Default", in the event of the occurrence of any of the following (hereinafter "Events of Default"):

**A. Default for Nonperformance**

In the event the CONTRACTOR fails to perform any of the provisions of this Agreement, or so fails to make such progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of three (3) business days (or such longer period as the COUNTY may authorize in writing) after receipt of notice from the COUNTY specifying such failure,



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the CONTRACTOR shall be determined to be in default for nonperformance. The COUNTY, in its sole discretion, shall determine if the failure to perform has been cured.

B. Default for Insolvency

The COUNTY may terminate this Agreement for default for insolvency in the event of the occurrence of any of the following:

- 1) Insolvency of the CONTRACTOR. The CONTRACTOR shall be deemed insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether it has committed an act of bankruptcy or not, and whether or not is insolvent within the meaning of the Federal Bankruptcy Law. Should such a situation occur, the CONTRACTOR shall immediately give notice thereof, including all relevant information, as set forth herein, with respect thereto, to the COUNTY;
- 2) The filing of a voluntary petition in bankruptcy, or involuntary bankruptcy proceedings are commenced against the CONTRACTOR, and relief from the automatic stay in bankruptcy is obtained by the COUNTY;
- 3) The appointment of a Receiver or Trustee for the CONTRACTOR, provided that the Receiver or Trustee shall not have been dismissed within thirty (30) calendar days of appointment;
- 4) The execution by the CONTRACTOR of an assignment for the benefit of creditors.

C. Default for Breach of Warranty or Agreement Provisions

The CONTRACTOR breaches or violates the warranties set forth in Section 10, "Warranty Against Contingent Fees"; Section 11, "Conflict of Interest"; Section 13, "Subcontracting"; Section 21, "Employment Eligibility Verification"; and Section 27, "Lobbyist".

D. Default for Discrimination in Employment

Determination by the COUNTY, the State Fair Employment Commission, or the Federal Equal Employment Opportunity Commission that discrimination has been practiced by the CONTRACTOR in violation of State and/or Federal laws thereon.

E. Default for Transfer of Majority Interest

The majority controlling interest of the CONTRACTOR is transferred to persons other than those who are in control at the time of the execution of this Agreement without approval thereof by the COUNTY.

**29. TERMINATION FOR DEFAULT**

- A. Upon the occurrence of any one or more of the Events of Default heretofore described, this Agreement shall be subject to termination. As a condition precedent thereto, the COUNTY

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shall give the CONTRACTOR a ten (10) calendar day advance Notice of Termination by registered or certified mail or personal service, of the date set for termination thereof and the grounds for termination.

- B. After receipt of a notice of termination and except as otherwise directed by COUNTY, CONTRACTOR shall stop work under this Agreement on the date and to the extent specified in such notice.
- C. In the event the COUNTY terminates this Agreement in whole or in part as provided in this Section 29, the COUNTY may procure, in its sole discretion and upon such terms and in such manner as the COUNTY may deem appropriate, services similar to those previously provided by the CONTRACTOR. Any excess costs in connection with those replacement services, as determined by the COUNTY, arising there from over and above the Agreement sum shall be charged against the CONTRACTOR and/or its sureties.
- D. Action by the COUNTY to effect a termination and forfeiture of possession shall be without prejudice to the exercise of any other rights provided herein by law to remedy a breach of this Agreement.
- E. The remedies reserved to the COUNTY herein shall be cumulative and additional to any other remedies provided in law or equity.
- F. In the event that, following service of the Notice of Termination of this Agreement under the provisions of this Section 29, it is determined for any reason that the CONTRACTOR was not in default under the provisions of Section 28, "Events of Default", or the CONTRACTOR has, to the satisfaction of the COUNTY, cured any default, the COUNTY shall issue, within five (5) business days, a rescission of Notice of Termination, and the rights and obligations of the parties shall be the same as if the Notice of Termination had not been issued.
- G. After receipt of a notice of termination, CONTRACTOR shall submit to COUNTY, in the form and with any certifications as may be prescribed by COUNTY, CONTRACTOR'S claim and invoice. Such claim and invoice shall be submitted promptly, no later than thirty (30) days from the effective date of termination.

### **30. TERMINATION FOR IMPROPER CONSIDERATION**

- A. The COUNTY may, by written notice to the CONTRACTOR, immediately terminate the right of the CONTRACTOR to proceed under this Agreement if it is found that consideration, in any form, was offered or given by the CONTRACTOR, either directly or through an intermediary, to any COUNTY officer, employee, or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to the CONTRACTOR'S performance pursuant to the Agreement. In the event of such termination, the COUNTY shall be entitled to pursue the same remedies against the CONTRACTOR as it could pursue in the event of default by the CONTRACTOR.
- B. The CONTRACTOR shall immediately report any attempt by a COUNTY officer or

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employee to solicit such improper consideration. The report shall be made either to the COUNTY manager charged with supervision of the employee or to the COUNTY Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

- C. Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

**31. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH THE COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM**

Failure of the CONTRACTOR to maintain compliance with the requirements set forth in Section 24, "The Contractor's Warranty of Adherence to the County's Child support Compliance Program", shall constitute a default by the CONTRACTOR under this Agreement. Without limiting the rights and remedies available to the COUNTY under any other provision of this Agreement, failure to cure such default within 90 days of notice by the Los Angeles County Child Support Services Department shall be grounds upon which the COUNTY Board of Supervisors may terminate this Agreement pursuant to Section 29, "Termination for Default".

**32. TERMINATION FOR CONVENIENCE**

This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by COUNTY to be in its best interest. Termination of work hereunder shall be effected by notice of termination to CONTRACTOR specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective, which shall be no less than ten (10) calendar days after the notice is sent.

**33. NOTICES**

- A. Any notice desired or required to be given under the terms of this Agreement, or any law applicable thereto, shall be placed in a sealed envelope, with postage paid, addressed to the person on whom it is to be served, and deposited in a post office, mailbox, sub-post office, sub-station or mail chute, or other like facility regularly maintained by the United States Postal Service.
- B. Service by mail shall be deemed complete upon deposit in the above-mentioned manner. Any notice made hereunder shall also be transmitted via authenticating facsimile machine (hereinafter referred to as "FAX") to the appropriate party at the FAX number set forth herein. Documents transmitted via FAX that are received on weekends or holidays or after 5:00 p.m. on a business day shall be deemed received at 8:00 a.m. the following business day.
- C. The address to be used for any given notice served by mail upon the CONTRACTOR shall be:

GC Services Limited Partnership  
4900 Rivergrade Road  
Irwindale, CA 91706

or such other place as may be hereinafter be designated in writing to the COUNTY by the

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CONTRACTOR. Faxed documents shall be sent to (626) 851-8212.

- D. Any notice served by mail upon the COUNTY shall be addressed to:

Assistant Division Chief, Public Justice Section  
Chief Administrative Office  
754 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

or such other place as may hereinafter be designated in writing to the CONTRACTOR by the COUNTY. Faxed documents shall be sent to (213) 217-5112.

- E. A copy of the notice shall be addressed and mailed to the COUNTY'S Project Director:

Alf Schonbach  
Administrator, Finance and Accounting  
111 North Hill Street, Room 110-A  
Los Angeles, CA 90012

or such other place as may hereinafter be designated in writing to the CONTRACTOR by the COUNTY. Faxed documents shall be sent to (213) 621-9155.

- F. A copy of the notice shall be addressed and mailed to **the Court's Contracts Section, 500 West Temple St., Room 464, Los Angeles, CA 90012, (FAX # 213-626-1701).**
- G. Either party may change the party who is designated to receive notices pursuant to this Section 33 by giving written notice of the change to the other party.
- H. In the event of nonperformance, default, or cancellation of this Agreement, notice may also be given upon personal delivery, to any person whose actual knowledge of such nonperformance, default, or cancellation would be sufficient notice to the CONTRACTOR. Actual knowledge of such nonperformance, default or cancellation by an individual the CONTRACTOR, or by a co-partner if the CONTRACTOR is a partnership, or by the president, vice-president, secretary, or general manager if the CONTRACTOR is a corporation, or by the managing agent regularly in charge of the Services on behalf of the CONTRACTOR, shall in any case be sufficient notice.

#### **34. NOTICE OF DELAYS**

Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall immediately, but not later than one (1) business day, telephone the appropriate other party personnel to give notice thereof, including all relevant information with respect thereto, to the other party. Such telephone notification shall be followed up in writing within one (1) working day.

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**35. INDEMNIFICATION**

The CONTRACTOR shall indemnify, defend and hold harmless the COUNTY, and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the CONTRACTOR'S acts and/or omissions arising from and/or relating to this Agreement.

**36. INSURANCE**

A. Without limiting the CONTRACTOR'S indemnification of the COUNTY and during the term of this Agreement, CONTRACTOR shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the COUNTY, and such coverage shall be provided and maintained at the CONTRACTOR'S own expense.

B. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to COUNTY shall be delivered to the CPM at the address identified above with a copy delivered to the Assistant Division Chief, Public Justice Section, Chief Administrative Office, 754 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012 prior to commencing services under this Agreement. Such certificates or other evidence shall:

- 1) Specifically identify this Agreement.
- 2) Clearly evidence all coverages required in this Agreement.
- 3) Contain the express condition that COUNTY is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.
- 4) Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insured for all activities arising from this Agreement.
- 5) Identify any deductibles or self-insured retentions for COUNTY'S approval. The COUNTY retains the right to require CONTRACTOR to reduce or eliminate such deductibles or self-insured retentions as they apply to COUNTY, or, require CONTRACTOR to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

C. Insurer Financial Ratings

Insurance is to be provided by an insurance company acceptable to the COUNTY with

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an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.

D. Failure to Maintain Coverage

Failure by CONTRACTOR to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONTRACTOR resulting from said breach. Alternatively, COUNTY may purchase such required insurance coverage, and without further notice to CONTRACTOR, COUNTY may deduct from sums due to CONTRACTOR any premium costs advanced by COUNTY for such insurance.

E. Notification of Incidents, Claims or Suits

CONTRACTOR shall report to COUNTY:

- 1) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONTRACTOR and/or COUNTY. Such report shall be made in writing within 24 hours of occurrence.
- 2) Any third party claim or lawsuit filed against CONTRACTOR arising from or related to services performed by CONTRACTOR under this Agreement.
- 3) Any injury to a CONTRACTOR employee, which occurs on COUNTY property. This report shall be submitted on a COUNTY "Non-employee Injury Report" to the COUNTY contract manager.
- 4) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONTRACTOR under the terms of this Agreement.

F. Compensation for COUNTY Costs

In the event that the CONTRACTOR fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONTRACTOR shall pay full compensation for all costs incurred by the COUNTY.

G. Insurance Coverage Requirements for Subcontractors

CONTRACTOR shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- 1) CONTRACTOR providing evidence of insurance covering the activities of sub-contractors; or
- 2) CONTRACTOR providing evidence submitted by sub-contractors evidencing that

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subcontractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

H. Insurance Coverage Requirements

- 1) General Liability: insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:
  - a. General Aggregate: \$2 million
  - b. Products/Completed Operations Aggregate: \$1 million
  - c. Personal and Advertising Injury: \$1 million
  - d. Each Occurrence: \$1 million
- 2) Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto”.
- 3) Workers Compensation and Employers’ Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONTRACTOR is responsible. If CONTRACTOR’S employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U.S. Longshore and Harbor Workers’ Compensation Act, Jones Act or any other federal law for which CONTRACTOR is responsible. In all cases, the above insurance also shall include Employers’ Liability coverage with limits of not less than the following:
  - a. Each Accident: \$1 million
  - b. Disease – policy limit: \$1 million
  - c. Disease – each employee: \$1 million
- 4) Professional Liability Insurance with limits of not less than \$1 million per occurrence and \$2 million aggregate is required to cover liability arising from any error, omission, negligent or wrongful act of the CONTRACTOR, its officers, or employees.
- 5) Crime Coverage Insurance with limits in amounts not less than indicated below covering against loss of money, securities, or other property referred to in this Agreement, and naming the COUNTY as loss payee.
  - a. Employee Dishonesty: \$3,000,000
  - b. Forgery or Alteration: \$ 500,000
  - c. Theft, Disappearance and Destruction: \$ 500,000
  - d. Computer Fraud: \$ 500,000
  - e. Burglary and Robbery: \$ 500,000

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**37. PERFORMANCE BOND**

The CONTRACTOR shall furnish to the COUNTY, per California Government Code Section 26221, a Faithful Performance Bond in the sum of not less than ten thousand dollars (\$10,000) payable to the County of Los Angeles and executed by a corporate surety licensed to do business as a surety in the State of California. Such bond shall be conditioned upon faithful performance by the CONTRACTOR of the terms and conditions of this Agreement and shall be renewed by the CONTRACTOR to provide for continuing liability in the above amount notwithstanding any payment or recovery thereon.

**38. INTERPRETATION**

- A. This Agreement shall be interpreted according to the rules that govern the interpretation of contracts, as prescribed in Part 2 of Division 3 of the State Civil Code, commencing with Section 1635.
- B. The headings herein contained are for convenience and reference only and are not intended to define or limit the scope of any provision thereof.

**39. GOVERNING LAW AND VENUE**

This Agreement shall be governed by and construed in accordance with the laws of the State of California. CONTRACTOR agrees and consents to the exclusively jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California.

**40. VALIDITY**

The invalidity, unenforceability or illegality of any provision of this Agreement shall not render the other provisions thereof invalid, unenforceable, or illegal.

**41. WAIVER**

No waiver of a breach of any provision of this Agreement shall constitute a waiver of any other breach of said provision or of any other provision of this Agreement. Failure of either party to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. No waiver shall be enforced unless said waiver is set forth in writing and signed by the party granting the waiver.

**42. AGREEMENT ENFORCEMENT**

- A. LASC shall be responsible for the enforcement of this Agreement on behalf of the COUNTY and shall be assisted therein by those officers and employees of the COUNTY having duties in connection with the administration thereof. The COUNTY hereby reserves the right to:
  - 1) Assign such personnel as are needed to serve as Contract Monitor(s) in order to



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inspect, review and audit the CONTRACTOR'S performance of, and compliance with, all contractual Services, duties, obligations, responsibilities, administrative procedures and staffing as set forth in this Agreement; and

- 2) Require the CONTRACTOR to provide such written documentation and/or regular reports, as the COUNTY deems necessary to verify and review the CONTRACTOR'S performance under this Agreement.
- B. The CONTRACTOR hereby agrees to cooperate with LASC, the COUNTY, and any appropriate State or Federal representatives, in the review and monitoring of the CONTRACTOR'S Services, records and procedures at any reasonable time.
  - C. At the request of the COUNTY, the CONTRACTOR'S representative(s) shall attend meetings and/or training sessions, as determined by the COUNTY, for the purpose(s) of orientation, information sharing, Agreement revision, and/or description of the COUNTY policies and procedural standards.
  - D. In the event the COUNTY commences legal proceedings for the enforcement of this Agreement, the CONTRACTOR hereby agree to pay any sum that may be awarded to the COUNTY by a court for attorney's fees and costs incurred in the action brought thereon.

#### **43. FINANCIAL STATEMENTS AND LITIGATION PENDING**

Ninety (90) calendar days prior to the expiration date of the term of this Agreement, the CONTRACTOR shall submit to the COUNTY a complete set of financial statements for the most current 12-month period. Such statements shall, at a minimum, include a Balance Sheet (Statement of Financial Position), and Income Statement (Statement of Operations). If audited statements are available, they shall be submitted to meet this requirement. In addition, the CONTRACTOR shall submit to the COUNTY a statement regarding any pending litigation and the outcome of any litigation since the CONTRACTOR last reported the same to the COUNTY.

#### **44. COUNTY POLICY ON DOING BUSINESS WITH SMALL BUSINESSES**

- A. The County of Los Angeles has adopted a uniform definition of small business and a policy for assisting small businesses to ensure that small businesses are not disadvantaged by the contracting and acquisition process and that programs are implemented to assist them in fair, open competition.
- B. The COUNTY definition of a small business is:
  - 1) Independently owned and operated;
  - 2) Not dominant in its field;
  - 3) Under the Small Business Act (SBA) size standard (based on the average number of employees for the preceding 12 months or on sales volume averaged over a three-year period) for the particular business/industry defined by the Federal

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Standard industrial Classification (SIC) code.

- C. This definition is the same as the SBA's definition. Detailed information about the SBA's size regulations is available in the code of Federal Regulations (CFR) Title 13, Chapter 1, Part 121. The CFR is also available on the Internet at the following address:

<http://www.access.gpo.gov/nara>

- D. The COUNTY will not be certifying small businesses. Small business certifications from other agencies that utilize the SBA and COUNTY definition shall be accepted by the COUNTY as documentation of "small business" status. At this time, data on documented small businesses is being requested for statistical purposes only. On final analysis and consideration of award, the vendor will be selected without regard to the small business designation.

**45. CONTRACTOR RESPONSIBILITY AND DEBARMENT**

- A. A responsible CONTRACTOR is a CONTRACTOR who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the COUNTY'S policy to conduct business only with responsible Contractors.
- B. The CONTRACTOR is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the COUNTY acquires information concerning the performance of the CONTRACTOR on this or other contracts which indicates that the CONTRACTOR is not responsible, the COUNTY may, in addition to other remedies provided in the contract, debar the CONTRACTOR from bidding on COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts the CONTRACTOR may have with the COUNTY.
- C. The COUNTY may debar the CONTRACTOR if the Board of Supervisors finds, in its discretion, that the CONTRACTOR has done any of the following: (1) violated any term of a contract with the COUNTY, (2) committed any act or omission which negatively reflects on the CONTRACTOR'S quality, fitness or capacity to perform a contract with the COUNTY or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the COUNTY or any other public entity.
- D. If there is evidence that the CONTRACTOR may be subject to debarment, the COUNTY will notify the CONTRACTOR in writing of the evidence that is the basis for the proposed debarment and will advise the CONTRACTOR of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The CONTRACTOR and/or the CONTRACTOR'S representative shall be given an opportunity to submit evidence at that hearing. After the hearing, The Contractor Hearing Board shall prepare a proposed decision, which shall contain a

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recommendation regarding whether the CONTRACTOR should be debarred, and if so, the appropriate length of time of the debarment. If the CONTRACTOR fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the CONTRACTOR may be deemed to have waived all rights of appeal.

F. A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The board of supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.

G. These terms shall also apply to subcontractors of the CONTRACTOR.

**46. NONEXCLUSIVITY**

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with CONTRACTOR. This Agreement shall not restrict COUNTY from acquiring similar, equal or like goods and/or services from other entities or sources.

**47. AUTHORIZATION WARRANTY**

The CONTRACTOR represents and warrants that the signatory to this Agreement is fully authorized to obligate the CONTRACTOR hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

**48. THE COUNTY POLICY REGARDING RECYCLED PAPER**

Consistent with the COUNTY Board of Supervisors' policy to reduce the amount of solid waste disposal at the COUNTY landfills, the CONTRACTOR agrees to use recycled-content paper to the maximum extent possible on the Project.

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**IN WITNESS WHEREOF**, the County of Los Angeles has caused this Agreement to be duly executed by the Chief Administrative Officer of the County and the Executive Officer/Clerk of the Superior Court, and the Contractor has executed the Agreement through its authorized officer, to be effective the date first written above. The person signing on behalf of Contractor warrants that he/she is authorized to fully bind the Contractor to the terms and conditions stated herein.

GC SERVICES LIMITED PARTNERSHIP

By: \_\_\_\_\_

Printed  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

THE COUNTY OF LOS ANGELES,  
CHIEF ADMINISTRATIVE OFFICE

By: \_\_\_\_\_  
David E. Janssen  
Chief Administrative Officer

Date: \_\_\_\_\_

SUPERIOR COURT OF CALIFORNIA,  
COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
John A. Clarke  
Executive Officer/Clerk

APPROVED AS TO FORM:

LLOYD W. PELLMAN  
County Counsel

By \_\_\_\_\_  
Senior Deputy County Counsel

\_\_\_\_\_  
Date

**EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT****PROJECT NAME:** \_\_\_\_\_**THE CONTRACTOR/EMPLOYER NAME:** \_\_\_\_\_**AGREEMENT NUMBER:** \_\_\_\_\_**GENERAL INFORMATION**

Your employer has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Employee Acknowledgement and Confidentiality Agreement.

**EMPLOYEE ACKNOWLEDGEMENT:**

I UNDERSTAND AND AGREE that the Contractor referenced above is my sole employer for purposes of this employment. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf.

I UNDERSTAND AND AGREE that I am not an employee of Los Angeles County for any purpose and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles during the period of this employment. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between my employer and the County.

**CONFIDENTIALITY AGREEMENT:**

You may be involved with work pertaining to services provided by the County of Los Angeles and if so, you may have access to confidential data pertaining to persons and/or entities receiving services from the County. In addition, you may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data in its possession, especially data concerning health, criminal and welfare recipient records.

If you are to be involved in County work, the County must ensure that you too will protect the confidentiality of such data. Consequently, you must sign this agreement as a condition of your work to be provided by your employer for the County. Please read this agreement and take due time to consider it prior to signing.

I HEREBY AGREE that I will not divulge to any unauthorized person data obtained while performing work pursuant to the above referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of information received by me to my immediate supervisor.

I AGREE to keep confidential all data pertaining to persons and/or entities receiving services from the County, programs, documentation, vendor proprietary information, and all other original materials produced, created or provided to or by me pursuant to the contract between my employer and the County of Los Angeles. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by the County vendors is provided to me during this employment, I shall keep said information confidential.

I AGREE to report any and all violations of the above agreement by myself, and/or by any other person to my immediate supervisor and I agree to ensure that said supervisor reports such violation to the County of Los Angeles Treasurer and Tax Collector. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or presently assigned work order, or termination of my employment with my employer, whichever occurs first.

**SIGNED:** \_\_\_\_\_ **DATE:** \_\_\_\_\_**NAME:** \_\_\_\_\_ **TITLE:** \_\_\_\_\_

**STATEMENT OF WORK**

**FOR**

**LOS ANGELES SUPERIOR COURT**

**COLLECTION SERVICES**

**LOS ANGELES SUPERIOR COURT COLLECTION SERVICES  
EXHIBIT A, STATEMENT OF WORK**

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**LOS ANGELES SUPERIOR COURT COLLECTION SERVICES****STATEMENT OF WORK****1. PURPOSE**

The purpose of this Statement of Work (SOW) is to ensure the Superior Court of California, County of Los Angeles (LASC) has a comprehensive court account collection program. The contractor will perform work according to the needs of LASC.

**2. SCOPE**

- A. CONTRACTOR will provide comprehensive collection services for enhanced payment compliance of: (a) traffic failure-to-appear matters; (b) traffic failure-to-pay matters; (c) failure-to-appear or failure-to-pay in criminal matters; (d) collection of other fines, fees and forfeitures; and (e) attorney fee recovery for criminal and juvenile cases.
- B. Current in-house collection functions performed by LASC include, but are not limited to, the following:
  - 1. Generation of courtesy notices indicating amount owed.
  - 2. Drivers license holds through California Department of Motor Vehicles, if applicable.
  - 3. Generation of additional billing notices (second and third notices).
  - 4. Tracking of cases through Court Case Management computer systems.
  - 5. Financial evaluations to recover attorney fees in criminal and juvenile cases.
  - 6. Establishing accounts receivable through partial payments.

**3. CATEGORY OF REFERRAL ACCOUNTS**

- A. The scope of Court collection services obtained by the County of Los Angeles (COUNTY) under the Los Angeles Superior Court Collection Services will be within the collection categories described in this section.
- B. LASC may refer the following types of accounts:
  - 1. Infractions/Misdemeanors with Unadjudicated Bail
  - 2. Arrest Warrants with Unadjudicated Bail
  - 3. Infractions/Misdemeanors with Adjudicated Bail
  - 4. Misdemeanors/Felonies with Adjudicated Fines and Fees
  - 5. Civil Fees and Sanctions on Adjudicated Matters
  - 6. Indigent Defense Cost Recovery – P.C. §987.2, 987.4, 987.5, & Welfare and Institution Code § 903.1
  - 7. Sanction Recovery
  - 8. Restitution Fine
  - 9. Child Custody Evaluation
  - 10. Probate
  - 11. Juror Fees
  - 12. NSF Fee



## C. Category Estimated Volume

## 1. Estimated case volume

<b>Category</b>	<b>Estimated Annual Case Volume</b>	<b>Average Amount Per Case</b>	<b>Estimated Days Delinquent Prior to Referral</b>
Infractions/Misdemeanors with Unadjudicated Bail	125,000	\$575	41
Infractions/Misdemeanors with Adjudicated Bail	48,000	\$850	41
Indigent Defense Cost Recovery – P.C. §987.2, 987.4, 987.5, & Welfare and Institution Code § 903.1 and Restitution	34,000	\$400	1-10

2. The above three types of accounts represent approximately 90% of all cases to be referred pursuant to this agreement. It is estimated that collection activity for the following categories will comprise the remaining 10% of account volume:

- a. Arrest Warrants with Unadjudicated Bail
- b. Misdemeanors/Felonies with Adjudicated Fines and Fees
- c. Civil Fees and Sanctions on Adjudicated Matters
- d. Child Custody Evaluation
- e. Probate
- f. Juror fees
- g. Sanction Recovery and NSF fees

Volumes are estimates only, and are based on volume estimates for fiscal year 2000-2001. LASC does not guarantee any particular volume of number or dollar value of account referrals.

3. Types of accounts may be added to or deleted from the list, at the discretion of LASC and COUNTY.
4. LASC and COUNTY retain the right to refer an account for collection, to attempt collection activity internally, and to cancel or alter accounts that have been referred to CONTRACTOR for collection.
5. CONTRACTOR is not the exclusive provider of collection services to LASC and COUNTY. LASC and COUNTY reserve the right to utilize the services of the State of California Franchise Tax Board's Court Order Collection Program, the Department of Motor Vehicles' Driver's License Hold/Suspension Collection Services, and/or other entities and agencies as deemed appropriate.

D. Category of Referral Accounts Descriptions

1. Infractions/Misdemeanors with Unadjudicated Bail

e.g., Traffic citations where a defendant fails to appear before being sentenced.

2. Arrest Warrants with Unadjudicated Bail

e.g., Prior to defendant being sentenced, a warrant of arrest is issued for failure to appear.

3. Infractions/Misdemeanors with Adjudicated Bail

e.g., Traffic citations where a defendant fails to pay fines and/or fees after being sentenced.

4. Misdemeanors/Felonies with Adjudicated Fines and Fees

e.g., Defendants fail to pay fines and fees after being sentenced.

5. Civil Fees and Sanctions on Adjudicated Matters

e.g., Fees and sanctions that are owed to LASC. In addition, LASC may seek reimbursement of civil filing fees on cases where plaintiff is a governmental agency.

6. Indigent Defense Cost Recovery – P.C. §987.2, 987.4, 987.5, & Welfare and Institution Code § 903.1 – Appointed Counsel Registration Fee (hereafter, “APC”).

e.g., LASC may determine that a customer who has received legal assistance from a public defender, alternate public defender or court appointed private attorney must reimburse the cost of attorney services. An Attorney Fee order may be collected as a civil judgment. The APC fee is \$25, with a 20% collection fee cap (\$5).

7. Sanction Recovery

e.g., A judicial officer may impose monetary sanctions for any violation of a lawful court order by a person, which includes a witness, a party, a party’s attorney, or both.

8. Restitution Fine

e.g., Defendants convicted of a misdemeanor or felony shall be ordered to pay an additional and separate Restitution Fine. The Restitution Fine may be collected as a civil judgment.

9. Child Custody Evaluation

e.g., A judicial officer may order a party to reimburse the LASC for the cost of their child custody evaluation.

10. Probate

e.g., A judicial officer may order a party to reimburse the LASC for the cost of services for a probate investigator, filing and other fees.

11. Juror Fees

e.g., Jurors that fail to appear for jury service may be ordered to pay a LASC imposed sanction.

12. NSF Fees

e.g., LASC imposes an additional \$33 fee for all checks returned NSF.

**4. COUNTY/LASC RESPONSIBILITIES**

A. COUNTY/LASC shall appoint a County Project Director (CPD) that will have overall responsibility for managing the Agreement and the work to be performed. The CPD will be an employee of the Superior Court. The CPD shall perform the following functions:

1. Ensure that the objectives of this Agreement are met.
2. Provide direction to CONTRACTOR in areas relating to COUNTY policy, information requirements and procedural requirements.

B. COUNTY/LASC shall appoint a County Project Manager (CPM) that will have responsibility for the day-to-day management of the work to be performed. The CPM will be an employee of the Superior Court. The CPM shall be the primary contact person between the COUNTY and the CONTRACTOR and shall confer with the CONTRACTOR'S Project Manager on a regular basis. The CPM shall perform the following functions:

1. Oversee and approve the deliverables and invoices from CONTRACTOR.
2. Approve or recommend all correspondence related to this Agreement.
3. Approve the participation of CONTRACTOR'S Project Manager and employees. The CPM may request the removal of the Contractor's Project Manager and/or other employee if the CPM determines that it is in the best interest of the COUNTY and LASC.
4. The CPM will provide instruction to CONTRACTOR'S Project Manager regarding clerical staff facility assignments in accordance with paragraph 8.A below.

5. The CPM is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate the COUNTY in any respect whatsoever.
- C. LASC will provide CONTRACTOR with work areas and telephone lines for CONTRACTOR'S employees that work at any LASC location.

## **5. IMPLEMENTATION OF SERVICE:**

### **A. Elements**

1. CONTRACTOR shall meet and implement the full range of services and requirements described in this SOW within four (4) weeks of the Los Angeles County Board of Supervisors' approval of the contract between LASC and CONTRACTOR.
2. CONTRACTOR must provide a transition plan within five (5) business days after being awarded the contract.

## **6. CONTRACTOR'S PROJECT MANAGER**

### **A. CONTRACTOR must provide a Contract Project Manager:**

1. CONTRACTOR must name a Contract Project Manager who shall act as a liaison for the CONTRACTOR and will have full authority to act on behalf of the CONTRACTOR in all matters related to the daily operation of the contract. The CONTRACTOR'S Contract Project Manager must have at least 5 years' experience managing collection projects of similar scope and complexity for courts or government agencies.
2. CONTRACTOR'S Contract Project Manager shall be available to the CPM for periodic on-site consulting. Meetings will be held to discuss and resolve problems.
3. CONTRACTOR'S Contract Project Manager shall work with the CPM to help resolve any potential areas of difficulty before a problem occurs.
4. CONTRACTOR shall appoint a backup Contract Project Manager. In the event of the CONTRACTOR'S Contract Project Manager's absence, the backup Contract Project Manager shall be available via telephone or pager between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday.
5. CONTRACTOR'S Contract Project Manager shall respond within twenty-four (24) hours to requests made by LASC between 8:00 a.m. and 5:00 p.m., Monday through Friday, and at other times as requested by the CPM.
6. The CONTRACTOR shall inform the CPM in writing of the name, address, and telephone number of the individual designated to act as Contract Project Manager, and his/her backup.

7. CONTRACTOR shall provide the CPM with a current list of employees/management, at a minimum, every six (6) months and keep this list updated during the term of this agreement.

## **7. CONTRACTOR'S PERSONNEL**

- A. CONTRACTOR personnel assigned to work under this Agreement must meet the following requirements:
  1. Each person assigned by CONTRACTOR to perform services for LASC shall at all times be full time employees of CONTRACTOR. CONTRACTOR shall have the sole right to hire, suspend, discipline, or discharge employees. However, any CONTRACTOR employee who, in the opinion of the CPM, is unsatisfactory will be removed from service to this Agreement immediately.
  2. Each CONTRACTOR employee performing services for LASC must be over the age of eighteen (18) years.
  3. Each CONTRACTOR employee performing services for LASC must fluently read, speak and comprehend the English language.
  4. Each CONTRACTOR employee performing service at an LASC facility shall have a thorough knowledge of the work to be performed, the performance standards to be met, and special needs of the LASC facility being served.
  5. CONTRACTOR'S employees shall not bring visitors into any LASC facility; shall not bring in any forms of weapons or contraband; shall not bring in any alcohol or drugs or be under the influence of alcohol/drugs; are subject to authorized search; shall conduct themselves in a professional manner at all times; shall not cause any disturbance in the facility; and otherwise are subject to all rules and regulations of any LASC facility.
  6. CONTRACTOR shall furnish and require every on-duty employee to wear a visible photo identification badge that identifies the employee by name, physical description, and company. Such badge shall be displayed on employee's person at all times he/she is within the confines of LASC facilities.
  7. All CONTRACTOR'S personnel providing services in conjunction with this Agreement will be required to undergo and pass to the satisfaction of the COUNTY a background and security investigation as a condition of beginning and continuing work under the Agreement. CONTRACTOR must submit to the CPM documentation of a satisfactory background investigation within three (3) business days of the employee's start of work. The COUNTY may request that such investigations be conducted periodically during the term of the Agreement.
    - a. The investigation shall be conducted by ISD at the CONTRACTOR'S expense and shall consist of a background and fingerprint check with the Los Angeles County Sheriff's Department, the California Department of Justice, the Federal Bureau of Investigation, and the National Crime Information Center.

- b. A COUNTY or LASC staff may immediately deny or terminate facility access to any CONTRACTOR'S staff that do not pass such investigations to the satisfaction of the County organization or Court.
- c. CONTRACTOR shall note that disqualification of any CONTRACTOR staff due to a background and/or security investigation will not relieve the CONTRACTOR of its obligation to complete all work in accordance with the terms and conditions of the Agreement.

## **8. CONTRACTOR'S PERSONNEL AT VARIOUS LASC LOCATIONS**

- A. CONTRACTOR must provide Personnel at locations as specified by LASC:
- 1. CONTRACTOR shall provide twenty-five (25) full-time clerical staff to various LASC locations to assist in the processing of accounts referred for collections. CONTRACTOR'S staff must be trained in related aspects of CONTRACTOR'S business, e.g., CONTRACTOR'S automated system(s), company policies and procedures, etc.
  - 2. CONTRACTOR'S staff shall be responsible for the following types of assignments, including, but not limited to:
    - a. Assisting clients at the window
    - b. Answering telephones
    - c. Receipting payments
    - d. Updating CONTRACTOR and/or LASC case management systems
    - e. Answering technical questions relating to collections
    - f. Setting court dates for clients
    - g. Trouble shooting
    - h. Providing CONTRACTOR/LASC with weekly status reports
  - 3. COUNTY anticipates that CONTRACTOR clerical staff will be assigned to LASC locations from Attachment 7 in the following chart, however COUNTY needs may vary. CONTRACTOR employees assigned to work at a LASC location may be reassigned to any LASC location by the CPM to ensure the needs of LASC are met. If coverage is needed, a staff replacement must be at the LASC job location within two (2) hours of being notified by LASC.

COURT	STAFF COUNT	COURT	STAFF COUNT
Metropolitan Court	3	Glendale Court	1
Beverly Hills Court	1	Santa Monica Court	1
Long Beach Court	2	Los Cerritos Court	1
Pomona Court	2	Downey Court	1
Compton Court	2	East Los Angeles Court	1
Van Nuys Court	1	San Fernando Court	1
Pasadena Court	1	San Pedro Court	1
Rio Hondo Court	1	Whittier Court	1
South Bay Court	1	Culver City Court	1
Newhall Court	1	South Gate Court	1

4. For each clerical staff, CONTRACTOR shall provide a personal computer at current industry standards and all necessary computer peripherals.
5. CONTRACTOR shall provide a representative for LASC collection meetings, as requested.

## **9. GENERAL SERVICE REQUIREMENTS**

- A. CONTRACTOR shall at minimum, perform the services enumerated below. To maximize the rate of collection, and minimize errors, CONTRACTOR may be required to perform services in addition to those listed below. In performing additional services, CONTRACTOR shall not deviate from the conditions outlined, nor circumvent, alter, or in anyway fail to perform the services listed below.
- B. The CONTRACTOR must meet the requirements of Penal Code Section 1463.007. This includes employing collection methods that include at least nine (9) of the following components.
  1. Monthly bill statements to all debtors.
  2. Telephone contact with delinquent debtors to apprise them of their failure to meet payment obligations.
  3. Issuance of warning letters to advise delinquent debtors of an outstanding obligation.
  4. Requests for credit reports to assist in locating delinquent debtors.
  5. Access to Employment Development Department employment and wage information.
  6. The generation of monthly delinquent reports.
  7. Participation in the Franchise Tax Board's tax intercept program.
  8. The use of Department of Motor Vehicle information to locate delinquent debtors.
  9. The use of wage and bank account garnishments.
  10. The imposition of liens on real property and proceeds from the sale of real property held by a title company.
  11. The filing of objections to the inclusion of outstanding fines and forfeitures in bankruptcy proceedings.
  12. Coordination with the probation department to locate debtors who may be on formal or informal probation.
  13. The capability to accept credit card payments.
- C. Additionally, the CONTRACTOR must be able to distinguish qualifying accounts and their related revenues and costs from those accounts that do not meet the statutory requirements (e.g., base fines less than \$100, attorney's fees, etc.). See the State of California's *Comprehensive Collection Program Accounting Guidelines on Penal Code 1463.007* (Attachment 1) for further details. The CONTRACTOR shall also be required to submit no later than the fifth business day of the month two separate monthly reports to LASC, one detailing qualifying revenues and related costs by case number for the preceding month and the other detailing non-qualifying revenues and related costs by case number for the preceding month.
- D. The CONTRACTOR must immediately inform LASC if at any time they fail to meet the requirements of PC 1463.007.

- E. The CONTRACTOR shall produce various ad hoc reports upon request.
- F. The CONTRACTOR shall conduct all collection activities, pursuant to this contract, in accordance with all applicable State and Federal consumer and collection practice laws.
- G. The CONTRACTOR shall not use or display the official seal of the LASC and/or COUNTY logo on any of its letterheads or other communications with any debtor, nor for any other reason.
- H. The CONTRACTOR shall maintain membership in the California Association of Collectors.
- I. The CONTRACTOR shall be legally capable of pursuing collections on referred accounts anywhere within the United States.

#### **10. CONTRACTOR'S SPECIFIC SERVICE REQUIREMENTS**

- A. Collections via Mail
  - 1. All CONTRACTOR letters to be sent to debtors shall be approved by the CPM.
  - 2. CONTRACTOR shall issue the first Delinquency Letter upon receipt of debtor information, and/or after obtaining a current address through "Skip Tracing." CONTRACTOR shall allow the debtor no more than thirty (30) days from the date of mailing to respond to the first Delinquency Letter.
  - 3. If the debtor does not respond by the 31<sup>st</sup> day of the date of mailing, CONTRACTOR shall issue another letter. Thereafter, letters should be issued on a monthly basis or until debt is satisfied.
  - 4. CONTRACTOR may issue additional letters as deemed necessary.
  - 5. All correspondence issued by CONTRACTOR shall be accompanied by a Spanish language translation.
  - 6. CONTRACTOR shall employ "Skip Tracing" in accordance with Section 10.B below to obtain a current address (if the address provided by COURT is incorrect, or if a letter is returned undeliverable, addressee unknown, etc). CONTRACTOR shall commence issuing letters once a current address is obtained. Each letter shall:
    - a. Identify CONTRACTOR;
    - b. Inform the debtor of the origin of the debt and the current amount owed;
    - c. Advise of the consequences of continued non-compliance, such as wage garnishment, and property seizures;
    - d. Describe payment options (e.g., Payment plans);
    - e. Describe how payment may be remitted;



- f. Explain that a debtor with either a Infractions/Misdemeanors with Unadjudicated Bail or a Arrest Warrants with Unadjudicated Bail account, who wishes to dispute the debt must schedule a court appearance;
- g. List a toll free (e.g., "800") telephone number, which allows debtors to remit payment, schedule a court appearance, and/or obtain general information.
- h. Provide a return envelope for the submission of payment.

**B. Skip Tracing**

- 1. CONTRACTOR shall use "Skip Tracing" to obtain debtor information.
- 2. Skip tracing should be performed every month until the account is deemed uncollectible or until a current/correct address is obtained.
- 3. Upon LASC's request, CONTRACTOR shall provide LASC with updated account information (e.g., address, telephone numbers, Social Security Number, etc.). CONTRACTOR shall utilize, but is not limited to, the following as necessary:
  - a. Neighbors/Associates;
  - b. Telephone Directories;
  - c. Credit Bureau Reports;
  - d. County Tax Assessor Records;
  - e. Current Voter Registration Records;
  - f. Debtor's financial and banking references;
  - g. Debtor's current or previous employers;
  - h. National Change of Address Data Base;
  - i. Department of Motor Vehicles; and
  - j. Third party firms, such as Acolloid, Metronet.

**C. Contact via Telephone**

- 1. CONTRACTOR shall establish verbal communication with the debtor. Messages left on an answering machine, voice mail, pager or with another individual does not constitute telephone contact.
- 2. CONTRACTOR shall employ "Skip Tracing" to obtain a current telephone number if COURT is not able to provide CONTRACTOR with debtor telephone numbers.
- 3. CONTRACTOR shall commence performing telephone calls once a telephone number is obtained.
- 4. CONTRACTOR shall interact with debtors in a professional and courteous manner.
- 5. CONTRACTOR shall provide multilingual translators when necessary.
- 6. Through the collection period, CONTRACTOR shall maintain telephone contact with each debtor by performing a least one call per month. In the course of performing the telephone call, CONTRACTOR shall:

- a. Identify CONTRACTOR;
- b. Inform the debtor of the origin of the debt and the amount owed;
- c. Advise of the consequences of continued non-compliance, such as wage garnishments, and property seizures;
- d. Describe payment options (e.g., Payment plans);
- e. Describe how payment may be remitted;
- f. Explain that a debtor with either a Infractions/Misdemeanors with Unadjudicated Bail or a Arrest Warrants with Unadjudicated Bail account who wishes to dispute the debt must schedule a court appearance; and
- g. Provide a toll free telephone number that allows debtors to remit payment, establish a payment plan, schedule a court appearance, and/or obtain general information.

**D. Debtor Payment Options/Methods of Payment**

1. CONTRACTOR shall provide debtors who wish to comply but face financial hardships or difficulties with a flexible alternative payment plan. CONTRACTOR may set the terms and conditions of the payment plan; however, interest shall not be charged.
2. CONTRACTOR shall provide a statement and a return envelope to debtors who have established a monthly payment plan. The statement shall, at a minimum, inform the debtor of the amount paid to date, the remaining balance, and the payment due date.
3. CONTRACTOR shall ensure that when debtors submit personal checks, each case number, receipt number and defendant's last name appear on the personal checks.
4. CONTRACTOR must accept the following types of financial instruments for payment of account balances:
  - a. Cash (only at CONTRACTOR'S local business office(s) or where CONTRACTOR has provided clerical staff);
  - b. Personal Checks;
  - c. Bank Debit Cards (e.g., ATM cards);
  - d. Nationally recognized credit cards (e.g., American Express, Discover, MasterCard, and Visa);
  - e. Money orders;
  - f. Cashiers' checks; and
  - g. Certified checks.
5. CONTRACTOR must provide debtor a receipt for all payments received in person at CONTRACTOR'S local business office(s).

**E. Court Appearances**

1. CONTRACTOR shall allow a debtor to set a court appearance in LASC since debtors who are referred with either Infractions/ Misdemeanors with Unadjudicated Bail or Arrest Warrant with Unadjudicated Bail account retain the

right to an arraignment in LASC. Attachment 7 contains a list of all LASC Court locations. Consequently, upon request by a debtor, CONTRACTOR shall:

- a. Schedule a court appearance on a day and time, which has already been established by LASC. (LASC will provide CONTRACTOR with dates and times for each location, as needed.)
- b. In conjunction with LASC, establish a mechanism to inform individual LASC locations of debtors' court appearance dates.
- c. Immediately upon scheduling a court appearance suspend all collection activity until LASC requests that it be resumed.
- d. Debtors who are referred with either Adjudicated Infractions/Misdemeanors or Adjudicated Misdemeanors/Felonies accounts do not retain the right to a court appearance.

**F. Debtor Failure to Comply with Notices of Delinquency and Telephone Calls**

1. CONTRACTOR shall initiate involuntary payment actions on debtors who fail to schedule a court appearance, establish a payment plan, or satisfy their debt. LASC will provide a listing of types of accounts that are subject to involuntary payment actions.
2. Actions on Recalcitrant Debtors
  - a. In the event debtors with accounts of the types identified by LASC that are subject to involuntary payment actions fail to schedule a court appearance, establish a payment plan, or satisfy their debt within 30 days of the issuance of the second Notice of Delinquency, CONTRACTOR shall perform the following steps:
  - b. Report the debtor to a nationally known Credit Reporting Agency such as Equifax, Trans-Union, TRW, etc.
  - c. CONTRACTOR shall be responsible for obtaining the necessary and appropriate court orders for the actions listed in Section 10.F.2.d below.
  - d. CONTRACTOR shall institute one or more of the following actions:
    - 1) Bank Levy;
    - 2) Wage Garnishment;
    - 3) Repossession of Property, including vehicle; and
    - 4) Real Property Liens.
3. Any and all associated costs incurred in instituting the actions listed in Section 10.F.2.d.1) through Section 10.F.2.d.4) above shall be paid by the CONTRACTOR or debtor. LASC will only pay commission on the referred amount and not on any associated costs collected from debtor.

**G. Account Management****1. Withdrawal of Accounts**

- a. LASC and COUNTY reserve the right to withdraw any account whenever LASC and/or COUNTY deem such an action appropriate and necessary. LASC shall notify CONTRACTOR in writing or fax. Cases that are withdrawn from CONTRACTOR shall be removed from CONTRACTOR'S system within two (2) business days of receipt of notice from LASC.
- b. CONTRACTOR shall cease all collection activity and close the account upon withdrawal of the account.
- c. LASC and COUNTY reserve the right to take actions deemed necessary to recover debt from an account that has been withdrawn from CONTRACTOR.
- d. In the event that LASC and/or COUNTY withdraw an account, CONTRACTOR shall have no right to compensation on any outstanding balance subsequently recovered by LASC, COUNTY, one of their agents, or another service provider.
- e. Generally, LASC will withdraw an account that meets one of the following conditions:
  - 1) Account referred in error;
  - 2) Account dismissed by a Judicial Officer;
  - 3) Debtor is incarcerated; or
  - 4) Debtor is deceased.

**2. Accounts Deemed Uncollectible**

- a. CONTRACTOR shall routinely evaluate each account and make a determination as to whether collection activity should cease. CONTRACTOR shall deem uncollectible any account that meets one of the following conditions and refer the account back to LASC via electronic file and/or computer tape.
  - 1) At least twenty-six (26) weeks have passed since the account's referral date; and CONTRACTOR has never been able to establish a current address or telephone number, and has been unable to elicit any form of debtor compliance, such as a partial payment or scheduling of a court appearance, through voluntary and/or involuntary measures.
  - 2) At least fifty-two (52) weeks have passed since the account's referral date; and CONTRACTOR has been able to establish a current address or telephone number, but has been unable to elicit any form of debtor compliance, such as partial payment or scheduling of a court appearance, through voluntary and/or involuntary measures

- b. If CONTRACTOR believes that an account that meets the uncollectible criteria can be successfully recovered, CONTRACTOR may submit LASC a written request to retain the account, which includes an explanation of why CONTRACTOR believes the account can now be recovered.
- c. LASC and COUNTY reserve the right to take actions deemed necessary to recover debt from an account that has been deemed uncollectible.
- d. In the event an account has been deemed uncollectible and returned to LASC, CONTRACTOR shall have no right to compensation on any outstanding balance subsequently recovered by LASC, COUNTY, one of their agents, or another service provider.

3. Minimum Accounting Principles

- a. CONTRACTOR shall apply General Accepted Accounting Principles in the management and processing of LASC accounts.

4. History of Activity:

- a. CONTRACTOR'S internal account processing shall also include a History of Activity for each account, which lists the type and date of all activities, such as letters, telephone calls, involuntary actions, etc., employed by CONTRACTOR.

H. Processing Debtor Payments

1. Transfer of Funds:

- a. CONTRACTOR shall deposit all the financial instruments (e.g., cash, checks, credit card remittances, etc.) received into a designated County of Los Angeles Bank Account (hereinafter "County Bank Account(s)").
- b. Except where payments are unidentified, all payments shall be updated in CONTRACTOR'S computer system within one (1) business day.
- c. CONTRACTOR shall have a system to determine unidentified cases.
- d. All financial instruments, except credit card remittances, shall be deposited into the COUNTY bank account(s) as soon as received, but no later than the business day following the date of their receipt. Credit card remittances must be deposited into the COUNTY bank account(s) within three (3) business days of their receipt. CONTRACTOR shall not hold, or in any way retain, monies received on a LASC account for more than one (1) business day after receipt, with the exception of credit card remittances that must be deposited within three (3) business days after receipt by CONTRACTOR.
- e. LASC and COUNTY will establish and have sole ownership over the County Bank Account(s). CONTRACTOR shall not have the right to withdraw funds from the County Bank Account(s). (See Section 10.H.5, Adjustments to the

County Bank Account(s), Deposit Variances, & County Bank Account(s) Debits.)

- f. All financial instruments and monies deposited into the County Bank Account(s) are transferred daily to LASC'S trust account.

2. Deposit Slips

- a. Each business day, CONTRACTOR shall prepare and submit deposit slips for each type of financial instrument (e.g., cash, checks, credit card remittances, etc.) deposited into the County Bank Account(s) (Original sent to the "Bank", copy to LASC Accounting Office, and copy for CONTRACTOR).
- b. The sum of the daily deposit slips must equal the amount deposited into the County Bank Account(s). The sum of all the payments on the daily Financial / Accounting Information System payment tapes (see Section 10.J - Transmission of Account Information), and the sum of all the payments listed on the payment report must equal the amount deposited (see Section 10.M.6 - Payment Reports).
- c. The date of the daily deposit slips must correspond to the date of the daily Financial / Accounting Information System payment tapes, and the date of the payment report.

3. Unidentified payments (e.g. Unable to determine debtor)

- a. Unidentified payments received by CONTRACTOR shall be deposited into the County Bank Account(s).
- b. CONTRACTOR shall attempt to identify all unidentified payments within thirty (30) business days. If the CONTRACTOR cannot identify payment(s), the CONTRACTOR shall, on the first business day of each following month, provide LASC a report listing unidentified payments and attach any documents received with the payment (i.e. mailing envelope, enclosures). CONTRACTOR shall not issue any refunds on unidentified cases.

4. Incorrect account payments

On cases where CONTRACTOR applies payment to an incorrect case, the CONTRACTOR shall provide LASC with a weekly report listing the correct case where the payment should be applied or if payment should be refunded.

5. Adjustments to the County Bank Account(s), Deposit Variances, & County Bank Account(s) Debits

- a. If CONTRACTOR believes that an adjustment to the County Bank Account(s) is necessary, CONTRACTOR shall inform LASC of the following:
  - 1) The amount in dispute;
  - 2) The reasons for the adjustments; and

- 3) Copies of any documentary evidence that supports CONTRACTOR'S claim.
- b. If the CONTRACTOR does not agree with the adjustments for any reason, it must notify LASC in writing of the specific reasons for the objections and provide LASC with supporting documentation within five (5) business days from the date the adjustment notification was received by the CONTRACTOR. LASC shall evaluate the CONTRACTOR'S objection, make a determination and notify the CONTRACTOR in writing of its decision within ten (10) business days or receipt of the notice from the CONTRACTOR. LASC'S decision on any objection shall be final.
- c. CONTRACTOR must resolve any variances of discrepancies between the amount deposited into the County Bank Account(s) and the amount reported on the payment report within two (2) business days of notification.
- d. CONTRACTOR must resolve any debits or miscellaneous charges to the County Bank Account(s) within two (2) business days of notification.
- 6. Cashier Variances / Discrepancies in Amounts Collected and Receipted
  - a. CONTRACTOR shall be responsible for all cashier variances, losses, and other discrepancies between amounts collected and receipted by CONTRACTOR such as shortages, counterfeit bills, etc.
  - b. CONTRACTOR shall reimburse LASC for cashier variances, losses, and any other discrepancies between amounts collected and receipted by CONTRACTOR on the day of collection (e.g., the day financial instruments or monies are receipted by CONTRACTOR).
- 7. Personal Check / Credit Card Verification:
  - a. To determine whether personal checks submitted by debtors are valid and are covered by sufficient funds, CONTRACTOR shall subject all personal checks to a verification or authorization service (e.g., TeleCheck).
  - b. To ensure the validity of credit cards, CONTRACTOR shall obtain verification or authorization for every credit card submitted by a debtor.
- 8. Non-Sufficient Fund Checks
  - a. In the event a debtor submits personal checks that are returned to the County Bank Account(s) as non-sufficient fund (hereafter "NSF") checks, LASC will return, or resubmit the accounts to CONTRACTOR.
  - b. LASC will not compensate CONTRACTOR for services rendered on an account in the event the debtor submits an NSF Check.
  - c. LASC and COUNTY reserves the right to take actions deemed necessary to recover debt from a debtor who has submitted an NSF check.

- d. CONTRACTOR shall have no right to compensation in the event LASC, COUNTY, one of their agents, or another service provider, recovers revenue on accounts with an NSF.
  - e. In the event a debtor submits a personal check that is returned to the County Bank Account(s) as non-sufficient fund (NSF), the CONTRACTOR will inform the debtor that a subsequent personal check(s) for that payment will not be accepted.
9. Credit Card Fees, Collection Costs, etc.
- a. CONTRACTOR shall not pass Credit Card fees, or any other additional fees not referred by LASC, such as collection costs, check verification fees etc., on to the debtor or LASC with the exception of the associated cost incurred by the CONTRACTOR in instituting the involuntary payment actions listed in Section 10 subparagraphs F.2.d.1 through F.2.d.4, which may be passed on the debtor.
10. Segregation of Accounts
- a. The CONTRACTOR shall segregate all accounts referred by the LASC from all other CONTRACTOR accounts. All information relating to the accounts referred and assigned shall be confidential, and shall not be open to examination for any purpose not directly connected with the servicing of the accounts by the CONTRACTOR.
  - b. CONTRACTOR must separately track accounts by court locations and category of account.
11. Internal Control Procedures
- a. Cash handling and record keeping duties should be adequately separated by having different staff responsible for each duty. Mail should be picked up by an employee who does not have cash handling duties or access to accounting records. This requirement can also be satisfied by the use of a private courier service to pick up the mail. Mail should be opened by at least two (2) employees in order to document and verify the amount of mail payments. These employees should not have access to accounting records or be collectors.
  - b. Checks and money orders should be restrictively endorsed when the mail is opened. The payments should be logged into a Control Log showing the date of payment, payment instrument (e.g., check, money order, cash), debtor's name, amount received and number of the payment instrument. Any cash received should immediately be receipted and put in a safe or other secured location. The receipt should be used for posting to the account. The actual checks and money orders should be locked in a secure location with restrictive access until deposited during or at the end of the day. This location should remain locked during the day. Two independent adding machine tapes, or other verification approved by LASC, should be run on the



receipts and actual cash and checks, then compared and initialed by the two (2) mail openers.

- c. Receipts must be pre-numbered, multi-part forms with copies for the debtor, accounting offices and one retained as a control copy. Each copy must be marked for distribution. Receipts are not to be issued by collectors.
- d. Issued receipts should be numerically controlled and kept in a secure place. Office management staff should maintain accountability for all receipt stock and all used and voided receipts.
- e. All walk-in payments should be receipted in the presence of the debtor by an employee who does not have the ability to post collections to debtor accounts. A copy of the receipt must be given to the debtor. Signs should be posted in English and Spanish instructing the debtor to request and obtain a receipt.
- f. All cash is to be secured and the receipt used for posting purposes. Unidentified, post-dated, and NSF checks should be accounted for and listed on a separate log that provides a complete audit trail from receipt to disposition.
- g. Office management staff should reconcile the amount of mail and walk-in payments to the total amount of the deposit. The office management staff should receive one copy of the mail payment's tape and the amount of walk-in payments, and compare them to the amount of the daily deposit slips and the post-dated and unidentified check logs.
- h. Receipts should be used in numerical order.
- i. Employees who issue receipts should not control used or unused receipt stock.
- j. Written internal control procedures shall be maintained and periodically updated as necessary. CONTRACTOR personnel shall be periodically instructed in said procedures and office management staff shall continuously monitor operations to ensure compliance therewith. A copy of the internal control procedures shall be provided to the COUNTY upon request.

I. Debtor Services

1. Telephone Services

- a. CONTRACTOR shall provide a toll free telephone number so that debtors may be able to:
  - 1) Obtain information on the debt, such as status, amount due, payment options, etc.;
  - 2) Schedule a court appearance;
  - 3) Remit payment; and

- 4) Establish a payment plan.
  - b. CONTRACTOR shall provide an option that offers a multilingual translation.
  - c. CONTRACTOR shall also provide a toll free number for the hearing impaired with a telecommunication device that offers the services specified above.
  - d. CONTRACTOR'S telephone services should be available 24 hours a day, 7 days a week.
2. Office Locations and Services
- a. CONTRACTOR shall have at least one fully operational office located within the Los Angeles County by the end of the transition period (See Section 5 above) The business office shall be Monday through Friday during the continuous regular business hours of 9:00 a.m. through 5:00 p.m. and on at least one day a week, remain open until 7:00 p.m. In addition, be opened from at least the hours of 9:00 a.m. through 12:00 p.m. on Saturdays.
  - b. CONTRACTOR shall offer services that allow debtors to:
    - 1) Obtain information on the debt, such as status, amount due, payment options, etc.;
    - 2) Schedule a court appearance;
    - 3) Remit payment; and
    - 4) Establish a payment plan.
  - c. CONTRACTOR shall provide multilingual translation, as needed.
3. Debtor Refunds – Issuance and Determination of a Debtor Refund & Collection Fees on an Account when Monies are Refunded:
- a. LASC has the sole authority to issue debtor refunds, and determine whether a refund is due. If CONTRACTOR believes that a refund should be issued to a debtor, CONTRACTOR shall inform LASC of the following:
    - 1) The debtor's name, and receipt and account numbers;
    - 2) The amount in dispute; and,
    - 3) The reasons for the refund.
  - b. LASC will not compensate CONTRACTOR for services in the event LASC refunds the entire amount of collected money to a debtor (see Section 10.M.6 - Invoices which Include Accounts NSF Checks, or Account with a Debtor Refund).
  - c. In the event of a partial refund, the Collection Fee shall be prorated to the amount of collected money retained by LASC.
4. Complaints

- a. The term “complaint” refers to any written or verbal protest lodged by a debtor, which alleges that CONTRACTOR, or one of its employees, engaged in inappropriate, unfair or harsh, method(s) of collection, or conduct.
  - b. In the event CONTRACTOR receives any verbal or written complaint, the CONTRACTOR shall immediately notify the CPM by telephone. Such notification shall be followed up in writing within three (3) business days. The CONTRACTOR shall provide the CPM with a copy of any written complaint within three (3) business days of receipt of it.
  - c. CONTRACTOR shall promptly investigate all complaints, and provide a written report to the CPM regarding the disposition of each verbal and written complaint within fourteen (14) business days of receiving the complaint. At minimum the report shall include the following:
    - 1) A copy of the complaint (if applicable);
    - 2) Identification by name of CONTRACTOR employee(s);
    - 3) Results of the investigation; and,
    - 4) A statement describing the corrective action taken to resolve and avoid a reoccurrence of such a complaint.
  - d. CONTRACTOR shall also maintain a master log of all complaints received as set forth as Attachment 2 to this SOW, and a system to track complaints to the individual accounts and CONTRACTOR employee(s) handling the account. CONTRACTOR shall provide copy of the log to LASC or COUNTY upon request.
  - e. If no action is taken by the CONTRACTOR after three (3) attempts to resolve the matter, LASC may exercise its right to terminate the contract.
5. Dispute of the Outstanding Balance
- a. In the event a debtor disputes the Bail on a Infraction / Misdemeanor with Unadjudicated Bail and Arrest Warrants with Unadjudicated Bail account, CONTRACTOR shall continue with the Collection Activities, and inform the debtor that they may schedule a court appearance.
  - b. CONTRACTOR shall suspend all collection activity immediately when the debtor schedules a court appearance. Collection activity shall resume only when directed by LASC. (See section 10.E on scheduling court appearances.)
6. Claim of Death:
- a. Upon receipt of a certified copy of a death certificate, CONTRACTOR shall forward to LASC a copy of the correspondence and the certified copy of the death certificate, and deem the account uncollectible.
  - b. Claim of Incarceration:
    - 1) In the event the debtor submits documentary evidence, which indicates that the debtor is incarcerated, CONTRACTOR shall forward to LASC a copy of the correspondence and the documentary evidence.

- 2) Collection Activity shall not cease unless LASC directs otherwise.

J. Transmission of Account Information

1. Data transmissions mentioned below will be handled via electronic file and/or computer tape. CONTRACTOR shall provide daily back up provisions for electronic data. LASC will refer account information from multiple automated Information Systems with multiple file layouts including but not limited to:
  - a. The Expanded Traffic Record System (hereafter "ETRS") is the source of Infractions/Misdemeanors with Adjudicated and Unadjudicated Bail and Arrest Warrants with Unadjudicated Bail accounts.
  - b. The Collection Data Base System (hereafter "CDBS") is the source of Adjudicated Infractions/Misdemeanors and Adjudicated Misdemeanors/Felonies accounts.
  - c. Payment information from accounts referred via ETRS will be entered onto the Financial Interface System (hereafter "FIS").
  - d. Payment information from accounts referred via CDBS will be entered onto the CDBS
2. Additionally, LASC will refer account information that the CONTRACTOR shall be required to input.
3. Tape Format & Determination of the Data to be Transmitted, Transaction Codes, etc.:
  - a. All data on all the account information tapes listed below must be in Extended Binary Coded Decimal Interchange Code format.
  - b. The field definitions, data to be transmitted, and transaction codes for all the account information tapes and/or electronic files listed below will be determined by LASC and CONTRACTOR.
4. Referral Information – Referrals from ETRS:
  - a. Once each week, LASC shall refer new accounts from ETRS to CONTRACTOR.
  - b. Referrals shall correspond to ETRS specifications (See Attachment 3 of this SOW).
5. Re-Referral Information – Re-referrals from ETRS:
  - a. Once each week, LASC shall re-refer debtors who have scheduled a court appearance through CONTRACTOR and failed to appear in court.

- b. LASC shall either re-refer debtors through the ETRS referral file, or through a mechanism developed by CONTRACTOR and LASC.
- 6. Referral Information – Referrals from CDBS:
  - a. Once each week, LASC shall refer accounts from CDBS to CONTRACTOR through a mechanism developed by CONTRACTOR and LASC.
  - b. Referrals shall correspond to CDBS specifications (See Attachment 4 to this SOW).
- 7. Payment Information:
  - a. The sum of all the payments on file transmissions, manual and electronic, must equal the amount deposited into the County Bank Account(s), the sum of all the deposit slips, and the sum of all the payments listed on the payment report (see Section 10.M.6 - Payment Reports).
- 8. Payment Information – For Accounts Referred via ETRS:
  - a. Once each day, CONTRACTOR shall submit current payment information through a mechanism developed by CONTRACTOR and LASC.
  - b. The payment file shall correspond to FIS specifications (See Attachment 5 to this SOW).
- 9. Payment Information – For Accounts Referred via CDBS:
  - a. Once each day, CONTRACTOR shall submit current payment information via electronic file and/or computer tape.
  - b. The payment file shall correspond to CDBS specifications (See Attachment 6 to this SOW).
- 10. Uncollectible Information – For Accounts Referred via ETRS:
  - a. Once each month, CONTRACTOR shall return accounts deemed uncollectible via electronic file and/or tape.
  - b. Accounts shall be returned with any updated account information obtained (e.g., addresses, telephone numbers, social security numbers, etc.).
  - c. The uncollectible file shall correspond to ETRS specifications.
- 11. Uncollectible Information – For Accounts Referred via CDBS:
  - a. Once each month, CONTRACTOR shall return accounts deemed uncollectible via electronic file and/or tape.

- b. Accounts shall be returned with any updated account information obtained (e.g., addresses, telephone numbers, social security numbers, etc.).
- c. The uncollectible file shall correspond to CDBS specifications. A mechanism to provide this information to CONTRACTOR will be developed by CONTRACTOR and LASC.

12. Court Appearance Information:

- a. Once each day, CONTRACTOR shall submit court appearance information to the individual LASC locations. A mechanism to provide this information to the individual locations will be developed by CONTRACTOR and LASC.

13. Updates to LASC Collection Accounts:

- a. As needed, LASC will inform CONTRACTOR of changes to accounts. A mechanism to provide this information to CONTRACTOR will be developed by CONTRACTOR and LASC.

14. Updated Account Information:

- a. Upon LASC'S request, CONTRACTOR shall submit updated account information (e.g., addresses, telephone numbers, and Social Security numbers, etc.).
- b. Per LASC'S request, the Updated Account Information File shall correspond with ETRS and/or CDBS specifications, and/or other alternative formats specified by LASC.

15. LASC has the right to modify file layouts identified above. LASC must provide CONTRACTOR with new file layouts and adequate timeline to comply.

K. Online Requirements

- 1. CONTRACTOR shall provide each LASC location in Attachment 7 of this SOW with "On-Line" access, or a direct computer link to CONTRACTOR'S referred account database.
  - a. LASC locations with CONTRACTOR'S staff assigned (Section 8 of the SOW) will require full access to the CONTRACTOR'S computer system (i.e., input, inquiry, etc.)
  - b. LASC locations without CONTRACTOR'S staff assigned will require inquiry access only to the CONTRACTOR'S computer system.
- 2. On- Line Specifications – Minimum Requirements
  - a. At a minimum, CONTRACTOR shall provide each LASC location with a personal computer, at current industry standard, and/or all the necessary peripheral equipment for On-Line access to LASC accounts on

CONTRACTOR'S database. (See Attachment 7 of this SOW for a detailed list of all LASC locations.)

- b. CONTRACTOR shall install, maintain, upgrade and repair all equipment necessary for the operation system. All repairs to the On-Line System must be made within 48 hours of the report of the problem.
- c. The On-Line system shall be installed and operate independently of any existing LASC communication or data base system.
- d. CONTRACTOR shall provide, install, and maintain all necessary operating and/or application software.
- e. CONTRACTOR shall provide and install all necessary cables; communication devices, and data line services/connections.
- f. In the event CONTRACTOR establishes a Local Area Network, CONTRACTOR shall provide:
  - 1) All necessary DSU-CSU's/modems, servers, routers and/or hubs, and;
- g. The On-Line system's minimum operating requirements shall be as follows:
  - 1) The On-Line system shall be available to LASC from 7:00a.m. to 5:00p.m. Monday, Tuesday, Wednesday, and Friday;
  - 2) On Thursday, the system shall be available to LASC from 7:00a.m. to 7:00p.m.;
  - 3) The On-Line system throughput shall be at minimum 56KB; and
  - 4) The On-Line system response time shall be no greater than 7 seconds for any transaction.
- h. CONTRACTOR shall provide LASC personnel with on-site training on the use of the On-Line system.

3. On-Line Capabilities

- a. The On-Line system shall provide at minimum the following information:
  - 1) Account Number;
  - 2) Debtor Name;
  - 3) Debtor Address;
  - 4) Identifying Information (e.g., Date of birth, and Social Security number);
  - 5) Court Appearance Date;
  - 6) Refreshed Address (e.g., addressed found via Skip Tracing);
  - 7) Account Status (e.g., Paid, Open, Closed, Withdrawn, Uncollectible);
  - 8) Amount Due;
  - 9) Amount Paid;
  - 10) Balance
  - 11) Last Date of Payment;
  - 12) Last Notice Date;

- 13) Account History; and,
- 14) General Comments.

- 4. CONTRACTOR shall perform daily update and back up on all account information systems accessed by on-line terminals at LASC locations.

**L. Fees for Services**

- 1. LASC will only compensate CONTRACTOR for services that result in the collection of revenue. LASC will not compensate CONTRACTOR for expended services in the event debtor payment is not obtained.
- 2. Timely Submission of Invoices
  - a. CONTRACTOR shall submit to the COUNTY one invoice each month by the 5<sup>th</sup> business day of the month following the month deposits are made to the COUNTY'S Bank Account(s).
  - b. As CONTRACTOR will be paid by LASC from funds appropriated for the specific purpose of this contract, CONTRACTOR shall submit invoices in a timely manner.
  - c. In the event an invoice is submitted more than six (6) months after a payment for an account is deposited into the County Bank Account(s), LASC reserves the right to refuse to compensate CONTRACTOR for such payment because the invoice is considered late and having to process it would impose as undue burden on LASC.
- 3. Payment on Accounts with a Court Appearance:
  - a. In the event a debtor appears in court and consequently pays the debt, LASC will compensate CONTRACTOR an amount that is prorated in proportion to the revenue collected, (e.g., if a debtor's balance is reduced from \$550.00 to \$350.00 at a court appearance, and payment is made, the Collection Fee will be based on the new court ordered amount).
- 4. Dismissed Accounts
  - a. CONTRACTOR is entitled to compensation on any account that has been dismissed or suspended at a court appearance wherein a subsequent court fee has been imposed.
  - b. CONTRACTOR shall have no right to compensation on an account where community service has been granted in lieu of fine.
- 5. Failure to Pay Accounts:
  - a. CONTRACTOR shall have no right to compensation on an account in the event a debtor fails to pay the debt after a court appearance.



- b. LASC reserves the right to take actions deemed necessary to recover debt from a debtor who has failed to pay after a court appearance.
- c. CONTRACTOR shall have no right to compensation in the event LASC, one of its agents, or another service provider, recovers revenue on a debtor who failed to pay the debt after a court appearance.

6. Partial Payments/Prorated Fees

The Collection Fee shall be prorated in proportion to the amount of revenue collected.

7. Payment on Accounts Deemed Uncollectible, or Withdrawn by LASC:

LASC will not compensate CONTRACTOR for an account collection if the debtor's payment, in whole or part, is received by LASC, one of its agents, another service provider, or the CONTRACTOR after an account has been returned by CONTRACTOR to LASC as Uncollectible or for accounts withdrawn by the COUNTY.

8. Accounts with NSF Checks:

- a. CONTRACTOR shall have no right to compensation for services in the event a debtor submits an NSF check.
- b. Bank imposed NSF check fees will be added to the account balance and referred back to the CONTRACTOR for collection.

9. Maximum Collection Fee:

The Collection Fee shall not exceed \$250.00 per account. On all Appointed Counsel Registration Fees (\$25.00), the collection commission rate is limited to 20% (\$5.00 maximum).

M. Revenue Recovered by CONTRACTOR

- 1. CONTRACTOR shall not deduct its fee directly from any collected revenue. CONTRACTOR shall receive payment from LASC by submitting an Invoice for Recovered Revenue (hereafter, "invoice").
- 2. Cycle for Submission of Invoices:
  - a. CONTRACTOR shall submit an invoice each month.
  - b. Coverage:
    - 1) Invoices shall only include collection fees for services that have resulted in the remittance of financial instruments (e.g., cash, checks, credit card remittances, etc.) to CONTRACTOR, and subsequent deposit of the financial instruments into the County Bank Account(s).

- 2) Invoices must correspond with, and include an itemized list of the deposits into the County Bank Account(s) made during the billing cycle.
  - 3) The invoice should be itemized by case and include, at a minimum, the following information:
    - a. Case Number
    - b. Date Paid
    - c. Debtor Name
    - d. Amount Referred
    - e. Amount Paid
    - f. Total Amount Paid to Date
    - g. CONTRACTOR'S Commission Cost on Current Payment
    - h. Vendor's Total Commission Cost Charged to Date
    - i. Civil Assessment Amount Collected
    - j. Total Civil Assessment Amount Collected to Date
    - k. Fine Amount Enclosed
    - l. Total Fine Amount Collected to Date
    - m. Balance Due
  - 4) The invoice must be subtotaled for each LASC location.
  - 5) The CONTRACTOR shall be responsible for limiting the amount of compensation per account to \$250.00 or 20% of the Appointed Counsel Registration Fee collected, whichever is less.
3. Revenue Recovered after a Court Appearance:
- a. CONTRACTOR'S invoices shall not include accounts which were set for a court appearance.
  - b. In the event revenue is collected on accounts that were set for a court appearance, LASC will determine the total amount to be compensated for each monthly billing cycle, and will compensate CONTRACTOR accordingly.
4. Invoices which include Accounts with NSF Checks, or Accounts with a Debtor Refund:
- a. LASC will not compensate CONTRACTOR for services provided on accounts with NSF checks, or debtor refunds.
  - b. In the event of a partial refund, LASC will remit to CONTRACTOR a collection fee that is prorated in proportion to the amount of collected money retained by LASC.
  - c. In the event invoices include accounts with NSF checks or debtor refunds, LASC will deduct the amounts of the NSF checks or the debtor refunds from the invoice.

- d. In the event CONTRACTOR is compensated for accounts with NSF checks or debtor refunds, LASC will deduct the appropriate remitted amount from CONTRACTOR'S next invoice.
5. Reporting Requirements:
- a. CONTRACTOR shall generate the following reports and forward them to LASC no later than the fifth business day of each month:
    - 1) A summary listing of accounts referred in a given month;
    - 2) A summary and detailed (e.g., by account number) description of account activity and status. This report should include, but may not be limited to the following: Case number, status, amount due, amount paid, balance, collection activities, and court appearances;
    - 3) A summary description of month-to-date and year-to-date performance. This report should include, but may not be limited to: Amount collected, amount outstanding, rate of collection, open accounts, and paid accounts; and;
    - 4) A detailed listing of all accounts deemed to be uncollectible.
    - 5) On an as-needed basis, provide a report, which lists all currently active, accounts for which collection is still being pursued.
  - b. The format and appearance of the above reports will be determined by LASC and CONTRACTOR.
  - c. LASC and/or the COUNTY reserve the right to request additional reports as deemed necessary.
6. Payment Reports:
- a. Once each business day, CONTRACTOR shall submit a hard copy payment report to LASC.
  - b. The sum of all the payments listed on the payment report must equal the amount deposited into the County Bank Account(s), the sum of all the payments on the electronic file and/or payment tapes, and the sum of all the deposit slips.
  - c. CONTRACTOR shall attach copies of all corresponding deposit slips to the payment elements:
  - d. The payment report shall provide a detailed list of all debtors who paid, including, but not limited to the following elements:
    - 1) Receipt number;
    - 2) Account number;

- 3) First and last names;
  - 4) Type of financial instrument used to make payment (e.g., cash, checks, credit cards, etc.);
  - 5) Amount paid.
- e. The list of debtors shall be sorted by types of financial instrument and receipt number.
  - f. The payment report shall include subtotals for each LASC location and then by type of financial instrument received by CONTRACTOR. The subtotals shall include the number of accounts paid with the instrument, and the total dollar amount collected through the instrument (e.g., In the event cash, checks, and credit cards are received, the report shall list the number of accounts paid by cash, total amount collected in cash, number of accounts paid by checks, etc.)
  - g. The payment report shall include grand totals for the number of accounts paid, and the amounts collected.
  - h. In the event no payments were received, CONTRACTOR shall submit a payment report, which indicates that no payments were received.

**N. Return of Accounts**

1. Upon termination of the contract by either LASC or CONTRACTOR, CONTRACTOR shall reassign, or return to LASC all accounts, and all additional information relating to accounts, such as refreshed addresses, which was obtained by CONTRACTOR.
  - a. Accounts and related information will be returned in the formats specified in Section 10.J -Transmission of Account Information, etc. seq., and /or in alternative formats as specified by LASC.
  - b. At the end of the contract period, the CONTRACTOR shall promptly return to LASC all previously referred accounts and all records and/or files pertaining to such accounts. **In no case shall the CONTRACTOR continue working the accounts and no commissions will be paid on monies received by the CONTRACTOR from the debtors upon termination of the contract.**
  - c. All account payment funds received by the CONTRACTOR after contract termination shall be forwarded to LASC within three (3) business days of receipt. Any post-dated checks in the CONTRACTOR'S possession will be voided and given to LASC to arrange for replacement from the maker(s).
  - d. Any legal actions in progress at the time of contract termination shall be turned over to LASC for completion within fifteen (15) days of termination.
  - e. Within forty-five (45) days of termination, the CONTRACTOR shall submit to LASC, in the form and with the certification and reports as may be prescribed by LASC, its termination claim and invoice. Such claim and invoice shall be

submitted promptly, but no later than sixty (60) days from the effective date of termination. Upon failure of CONTRACTOR to submit its termination claim and invoice within the time allowed, COUNTY may determine, on the basis of information available to LASC, the amount, if any, due to CONTRACTOR in respect to the termination, and such determinations shall be final. After such determination is made, LASC shall pay CONTRACTOR the amount so determined.

- f. The CONTRACTOR shall maintain all records relating to their contract performance for a minimum of five (5) years after contract termination. The LASC will have the right to inspect these records at any time within this five (5) year period.

#### **11. UNSATISFACTORY PERFORMANCE OF SPECIFIED SERVICES:**

- A. In the event CONTRACTOR provides less than satisfactory performance of any service, or compliance with any requirement specified in this SOW, LASC shall issue to CONTRACTOR a Contract Discrepancy Report (CDR), Attachment 9 of this Statement of Work. Additionally, LASC reserves the right to apply one or more of the following remedies as deemed necessary:
  - 1. LASC may require CONTRACTOR to implement a formal corrective action plan, which will be subject to LASC'S approval. The corrective action plan must include:
    - a. The reasons for the unacceptable level of performance, or failure to provide the specified services;
    - b. Descriptions of the specific steps to return performance to an acceptable level; and,
    - c. Descriptions of monitoring methods that will be implemented to prevent recurrence.
  - 2. LASC may withhold account referrals until LASC determines the CONTRACTOR is providing the specified service.
  - 3. LASC may terminate the contract between CONTRACTOR and LASC pursuant to Section 29 of the Agreement.
  - 4. In the event LASC applies any of the above sanctions, LASC will notify CONTRACTOR in writing of the sanction(s) applied and the reason(s) for the sanction(s).

#### **12. REMEDIES**

- A. When CONTRACTOR'S performance is not in compliance with the requirements of the SOW, CPM shall document unsatisfactory performance and may, if CONTRACTOR'S performance remains unsatisfactory, exercise its right to terminate the contract.

**13. MONITORING**

- A. LASC and/or COUNTY shall, on a regular basis, monitor the CONTRACTOR'S performance to the Agreement based on, but not limited to, the Performance Requirements Summary, Attachment 10 of Exhibit A, Statement of Work, and the Schedule of Information, Attachment 11 of Exhibit A, Statement of work.
- B. If CONTRACTOR performance does not conform to all requirements in this SOW and is unsatisfactory, CPM shall write a Contract Discrepancy Report (CDR), Attachment 9 to this Statement of Work and forward it to CONTRACTOR. CONTRACTOR shall respond within five (5) working days upon notification by CPM and correct the discrepancy, at CONTRACTOR'S expense, if any.
- C. CPM shall monitor all requirements described herein. CPM may from time to time provide comment on these services but will not unreasonably interfere with CONTRACTOR performance.

**14. WORK QUALITY ISSUES**

- A. Questions regarding the quality and direction of work performance will normally be handled between CPM and CONTRACTOR, but if and when COUNTY believes that important work matters are not being properly handled by the assigned person(s), and that previous management efforts by LASC have failed to achieve desired results, COUNTY and/or LASC will seek remedies under the Contract.

**15. SECURITY AND CONTROL PROCEDURES**

- A. CONTRACTOR shall be responsible for safeguarding any/all LASC property in accordance with this SOW. CONTRACTOR shall ensure the confidentiality of information and require all CONTRACTOR personnel providing services in conjunction with this contract to sign a CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT attached to the Sample Agreement as Exhibit B. Employee confidentiality Agreements must be submitted within three (3) business days of starting work.
- B. CONTRACTOR shall develop and submit to LASC within five (5) business days of execution of the Agreement, Security and Control Procedures. The procedures shall identify methods used by CONTRACTOR to ensure that LASC property is safeguarded at all times while in CONTRACTOR'S possession. Security and Control procedures should include, but are not limited to: Ensuring the security of LASC forms, case management systems, cash handling responsibilities (if applicable). CONTRACTOR shall notify the CPM of any changes to Security and Control Procedures within ten (10) business days of making a change.
- C. CONTRACTOR shall develop and maintain a written Quality Control Plan to ensure compliance with all of the CONTRACTOR'S responsibilities as set forth in this SOW. The CONTRACTOR'S initial plan shall be submitted with five (5) business days after execution of the Agreement. Updates shall be submitted within ten (10) business days. The Plan shall include but not be limited to:

- [illegible]

**State of California**  
**COMPREHENSIVE COLLECTION PROGRAM**  
**ACCOUNTING GUIDELINES**  
**Penal Code Section 1463.007**

Kathleen Connell  
California State Controller  
May 1997

**Revenues Collected in a Comprehensive Collection Program**

Cost recovery in a comprehensive collection program is limited to the revenues collected from the accounts in the program. Therefore, any revenues collected from accounts that qualify for a comprehensive collection program may be deducted and deposited in the county treasury prior to distribution of revenues to other governmental entities. Consequently, the county or trial court must be able to distinguish revenues collected from qualifying accounts and their related costs separately from those accounts that do not meet the statutory requirements for collection in a comprehensive collection program. Collecting agencies other than a county agency or trial court may be used to perform collections on accounts that qualify for collection in a comprehensive collection program. However, the county or trial court must require that a collection agency provide distinct revenue and cost information on the qualifying accounts referred to the agency. Failure to maintain separate and distinct revenue collection activity information will result in the disqualification of these accounts from cost recovery in a comprehensive collection program.

**Distribution of Revenues**

Revenues collected from accounts in a comprehensive collection program must be distributed monthly as required by other provisions of law, to the extent that the revenues exceed the eligible costs of operating the program during that month. However, if the program's operating costs for a given month exceed revenues collected, the excess costs may be carried forward until qualifying revenues are available to fully recover those eligible costs.

Distribution of revenues collected in a comprehensive collection program should be performed in accordance with Chapter 5: Revenue Distribution of the California State Controller's *Manual of Accounting and Audit Guidelines for Trial Courts*. The net revenues available for distribution should be allocated equitably to those accounts on which collections were made. Additionally, net revenues collected should be equitably prorated to each distribution component of the account. Refer to Appendix B of this publication for a revenue distribution example.



**Separate and Distinct Revenue Collection Activity**

A county or trial court that implements a comprehensive collection program shall operate that program as a separate and distinct revenue collection activity. A separate and distinct revenue collection activity is defined as an activity with the ability to identify and collect revenues of qualifying accounts and document the related costs of collection on the qualifying account on an ongoing basis. Therefore, a county or trial court must be able to distinguish qualifying account and their related costs from those accounts that do not meet the statutory requirements (e.g., attorneys' fees, base fines less than \$100). Failure to maintain separate and distinct revenue collection activity information will result in the disqualification of accounts collected by a county or trial court from inclusion in a comprehensive collection program.

Collection agencies other than a county or trial court may be used to perform collections on accounts that qualify for collection in a comprehensive collection program. These collection agencies may perform one or more of the 14 collection component activities specified in Penal Code Section 1463.007, to complement the collection activities performed by a county or trial court. A county or trial court must require that these collection agencies provide distinct revenue and cost information on the qualifying accounts referred. Failure to maintain separate and distinct revenue collection activity information will result in the disqualification of accounts collected by collection agencies under contract from inclusion in a comprehensive collection program.

**ATTACHMENT 2****COMPLAINT TRACKING LOG**

<b>Date of Complaint</b>	<b>Collector's Name (If Applicable)</b>	<b>Complaint</b>	<b>Case Number</b>	<b>Customer's Name</b>	<b>Action Taken by CONTRACTOR</b>	<b>Date CPM Notified</b>

## ATTACHMENT 3

**SUPERIOR COURT OF CALIFORNIA**  
**COUNTY OF LOS ANGELES**

**REVENUE COLLECTION**

**REFERRAL FILE SPECIFICATION**

The following is the referral record layout from Expand Traffic Record System (ETRS) to CONTRACTOR:

**Referral Record Layout for Failure-To-Appear (FTA)**

Field Name	Data Type	Width	Notes
01. Case Number	Character	8	
02. LEA	Character	4	
03. Court ID	Character	3	
04. RSP-Agency	Character	4	
05. Issue Date	Numeric	6	
06. RF Type	Character	1	
07. Last Name	Character	15	
08. First Name	Character	12	
09. Middle Name	Character	12	
10. Suffix	Character	3	
11. Judges ID	Character	5	
12. Division	Character	3	
13. Date of Birth	Numeric	6	YYMMDD
14. Vehicle License No.	Character	8	
15. Vehicle Lic. No. State	Character	2	
16. Driver License Number	Character	10	
17. Driver License State	Character	2	
18. Address	Character	24	
19. City	Character	13	
20. State	Character	2	
21. Zip Code	Numeric	9	
22. Vehicle Speed	Numeric	3	
23. Speed Limit	Numeric	2	
24. Night Court	Character	1	
25. Seat Belt	Character	1	
26. Prior Flag	Character	1	
27. Violation Code 1	Character	8	
28. Statute Code 1	Character	2	
29. Bail Amount 1	Numeric	7	Zero filled, 2 implied decimals.
30. Violation Ind. For 'FPS'	Character	1	

31. Violation Code 2                      Character                      8  
**Referral Record Layout for Failure-To-Appear (FTA) – cont'**

Field Name	Data Type	Width	Notes
32. Violation Statute 2	Character	2	
33. Bail Amount 2	Numeric	7	Zero filled, 2 implied decimals.
34. Violation Ind. For 'FPS'	Character	1	
35. Violation Code 3	Character	8	
36. Violation Statute 3	Character	2	
37. Bail Amount 3	Numeric	7	Zero filled, 2 implied decimals.
38. Violation Ind. For 'FPS'	Character	1	
39. Violation Code 4	Character	8	
40. Violation Statute 4	Character	2	
41. Bail Amount 4	Numeric	7	Zero filled, 2 implied decimals.
42. Violation Ind. For 'FPS'	Character	1	
43. RF-Bail Amount	Numeric	7	Zero filled, 2 implied decimals.
44. RF-PA-Bail Amount	Numeric	7	Zero filled, 2 implied decimals.
45. Judges Name	Character	27	
46. Violation City	Character	3	
47. Filler	Character	3	
48. Violation Date	Numeric	6	
49. Appear Date	Numeric	6	
50. Filler	Character	2	

## ATTACHMENT 4

**SUPERIOR COURT OF CALIFORNIA**  
**COUNTY OF LOS ANGELES**

**REVENUE COLLECTION**

**REFERRAL FILE SPECIFICATION**

The following is the referral record layout from the Collection Database System (CDBS) to CONTRACTOR:

**Referral Record Layout (control record)**

This is a control record. The referral file will have this record as the first record on the file. The totals are cumulative amounts of information from the detail record.

Field Name	Data Type	Width	Notes
01. Record Type	Character	1	"1"
02. Debt Type	Character	3	"COD"
03. County Code	Character	2	"19"
04. County Court Code	Character	3	"LAJ"
05. Total Records	Character	9	Zero filled
06. Total Principal	Character	12	Zero filled, 2 implied decimals.
07. Filler	Character	570	
<b>Total</b>		<b>600</b>	

**Referral Record Layout – Record Type 2 (detail record)**

Field Name	Data Type	Width	Notes
01. Record Type	Character	1	"2"
02. Debt Type	Character	3	"COD"
03. Action Type	Character	2	" N" = New Case, " W" = Withdraw Case " R" = Revise Case Information
04. County Code	Character	2	"19" = Los Angeles County
05. County Court Code	Character	3	"LAJ"
06. Court ID	Character	3	
07. Case Location (Type)	Character	2	"TR" = RS Case, "TS" = Failure-to-Pay Case, and "CR" = Criminal Case.
08. Defendant Number	Character	2	
09. LEA	Character	4	

10. Case Number Character 8

**Payment File Layout – Record Type 2 (cont')**

Field Name	Data Type	Width	Notes
11. Filler	Character	4	
12. County Participant ID	Character	10	
13. Social Security Number	Character	9	
14. Last Name	Character	17	
15. First Name	Character	11	
16. Middle Initial	Character	1	
17. Violation Date	Character	8	MMDDYYYY
18. Address Status	Character	1	
19. Address 1	Character	30	
20. Address 2	Character	30	
21. Apartment	Character	5	
22. City	Character	17	
23. State	Character	2	
24. Country	Character	30	If foreign
25. Zip Code	Character	9	
26. Referral Amount	Character	9	Zero filled, 2 implied decimals.
27. Filler	Character	36	
28. AKA Last Name	Character	17	
29. AKA First Name	Character	11	
30. AKA Middle Initial	Character	1	
31. Filler	Character	58	
32. Home Phone	Character	10	
33. Business Phone	Character	10	
34. Filler	Character	10	
35. Driver License Number	Character	10	
36. Driver License State	Character	2	
37. Filler	Character	12	
38. Vehicle License Number	Character	7	
39. Date of Birth	Character	8	MMDDYYYY
40. Filler	Character	10	
41. Date of Last Payment	Character	8	MMDDYYYY
42. Filler	Character	10	
43. Violation Statute 1	Character	3	
44. Violation Code 1	Character	15	
45. Violation Statute 2	Character	3	
46. Violation Code 2	Character	15	
47. Violation Statute 3	Character	3	
48. Violation Code 3	Character	15	
49. Violation Statute 4	Character	3	
50. Violation Code 4	Character	15	
52. Filler	Character	85	
<b>Total</b>		<b>600</b>	

## ATTACHMENT 5

**SUPERIOR COURT OF CALIFORNIA**  
**COUNTY OF LOS ANGELES**

**REVENUE COLLECTION**

**PAYMENT/CONTINUANCE ARRAIGNMENT  
FILE SPECIFICATION TO "FIS"**

The following is the payment/continuance arraignment record layout from CONTRACTOR to Financial Interface System (FIS):

**Payment/Continuance Arraignment Record Layout for Failure-To-Appear (FTA)**

Field Name	Data Type	Width	Notes
01. Suspense-Seg-Length	Numeric	4	"0495"
02. System Identifier	Character	1	
03. Receipt Date	Character	6	YYMMDD
04. Receipt Number	Character	12	The receipt no. is a combination of the following fields: Century code, Receipt no., Pay Type, and Receipt seq. no.
05. FIS Tran. Code	Numeric	4	
06. System Time	Numeric	8	HHMMSSHH
07. Case Number	Character	8	
08. LEA	Character	4	
09. Logical Terminal	Character	8	
10. Court	Character	3	
11. Void Flag	Character	1	
12. Last Name	Character	15	
13. First Name	Character	12	
14. Middle Name	Character	12	
15. Suffix	Character	3	
16. Address	Character	24	
17. City	Character	13	
18. State	Character	2	
19. Zip Code	Numeric	9	
20. Driver License Number	Character	10	
21. Driver License State	Character	2	
22. Date of Birth	Numeric	6	YYMMDD
23. Abstract Flag	Character	1	
24. Mail Flag	Character	1	
25. Revenue Flag	Character	1	

26. Amend-Correct Flag	Character	1
27. Transaction Type	Character	1

**Payment/Continuance Arraignment Record Layout for Failure-To-Appear (FTA)**

Field Name	Data Type	Width	Notes
28. Overage amount	Numeric	9	Zero filled, 2 implied decimals.
29. Amount Paid	Numeric	9	Zero filled, 2 implied decimals.
30. Refund Amount	Numeric	9	Zero filled, 2 implied decimals.
31. Violation Ind. 1	Character	1	
32. No-Repl Flag 1	Character	1	
33. Violation Code 1	Character	8	
34. Statute Code 1	Character	2	
35. Base Bail Amount 1	Numeric	9	Zero filled, 2 implied decimals.
36. Fine Amount 1	Numeric	9	Zero filled, 2 implied decimals.
37. Violation Ind. 2	Character	1	
38. No-Repl Flag 2	Character	1	
39. Violation Code 2	Character	8	
40. Statute Code 2	Character	2	
41. Base Bail Amount 2	Numeric	9	Zero filled, 2 implied decimals.
42. Fine Amount 2	Numeric	9	Zero filled, 2 implied decimals.
43. Violation Ind. 3	Character	1	
44. No-Repl Flag 3	Character	1	
45. Violation Code 3	Character	8	
46. Statute Code 3	Character	2	
47. Base Bail Amount 3	Numeric	9	Zero filled, 2 implied decimals.
48. Fine Amount 3	Numeric	9	Zero filled, 2 implied decimals.
49. Violation Ind. 4	Character	1	
50. No-Repl Flag 4	Character	1	
51. Violation Code 4	Character	8	
52. Statute Code 4	Character	2	
53. Base Bail Amount 4	Numeric	9	Zero filled, 2 implied decimals.
54. Fine Amount 4	Numeric	9	Zero filled, 2 implied decimals.
55. Bail Amount NC	Numeric	9	Zero filled, 2 implied decimals.
56. Fine Amount NC	Numeric	9	Zero filled, 2 implied decimals.
57. Total Bail Amount	Numeric	9	Zero filled, 2 implied



			decimals.
58. Total Fine Amount	Numeric	9	Zero filled, 2 implied decimals.
59. Partial Payment	Character	1	
60. Disp. Code	Character	1	
61. Disp. Date	Numeric	6	YYMMDD
62. Jud. Line Cnt	Character	2	
63. Judgment Rendered	Character	28	
64. Term	Character	4	
65. BAC	Character	2	
66. Arrested Flag	Character	1	
67. Fine Stayed Date	Numeric	6	YYMMDD
68. Lin. Sup. Date	Numeric	6	YYMMDD
69. Term Res.	Character	3	

### Payment/Continuance Arraignment Record Layout for Failure-To-Appear (FTA)

Field Name	Data Type	Width	Notes
70. Amend Date	Numeric	6	YYMMDD
71. Approx. Speed	Numeric	3	
72. Max. Speed	Numeric	2	
73. Overload	Numeric	5	
74. Action code	Character	2	
75. Action Date	Numeric	6	
76. Case Number #2	Character	8	
77. Division Code	Character	3	
78. Division Time	Character	1	
79. Bail Type	Character	3	
80. Trial Docket No.	Character	6	
81. Witness Info.	Character	25	
82. Bond Number	Character	10	
83. Dup. Abstract	Character	1	
84. Installment Fee	Numeric	4	Zero filled, 2 implied decimals.
85. Update Total Flag	Character	1	
86. PHS Appear Date	Numeric	6	Same as Receipt Date (YYMMDD)
87. Citation PA Bail	Numeric	9	Zero filled, 2 implied decimals.
88. Citation Base Bail	Numeric	9	Zero filled, 2 implied decimals.
89. 10 Correct Flag	Character	1	
90. Violation City	Character	3	

91. RF Civil Assess Amount	Numeric	7	Zero filled, 2 implied decimals.
92. RF Civil Assess Paid	Numeric	7	Zero filled, 2 implied decimals.
93. Orig. Restitution Amount	Numeric	7	Zero filled, 2 implied decimals.
94. Restitution Amount Paid	Numeric	7	Zero filled, 2 implied decimals.
95. Filler		9	

**SUPERIOR COURT OF CALIFORNIA**  
**COUNTY OF LOS ANGELES**

**REVENUE COLLECTION**

**PAYMENT FILE SPECIFICATION**

The following is the payment record layout from CONTRACTOR to the Collection Database System (CDBS):

**Payment Record Layout – Record Type 1 (control record)**

This is a control record. The payment file must have this record as the first record on the file. The totals are cumulative amounts of information that are on the other records.

Field Name	Data Type	Width	Notes
01. Record Type	Character	1	"1"
02. Debt Type	Character	3	"COD"
03. County Code	Character	2	"19" = Los Angeles County
04. County Court Code	Character	3	"LAJ"
05. Total Records	Character	9	Zero filled
06. Total Amount	Character	10	Zero filled, 2 implied decimals.
07. Claim Schedule Number	Character	8	
08. Processing Date	Character	8	MMDDYYYY
09. Filler	Character	206	
	<b>Total</b>	<b>250</b>	

**Payment Record Layout – Record Type 2 (detail record)**

Field Name	Data Type	Width	Notes
01. Record Type	Character	1	"2", "U" = unidentified case, "1" = Identified Case
02. Debt Type	Character	3	"COD"
03. County Code	Character	2	"19" = Los Angeles County
04. County Court Code	Character	3	"LAJ"
05. Court ID	Character	3	
06. Case Location (Type)	Character	2	"TR" = RS Case, "TS" = Failure-to-Pay Case, and "CR" = Criminal Case.
07. Defendant Number	Character	2	

**08. LEA** Character 4  
**Payment Record Layout – Record Type 2 (cont')**

Field Name	Data Type	Width	Notes
<b>09.</b> Case Number	Character	8	
10. Filler	Character	4	
11. County Participant ID	Character	10	
12. Social Security Number	Character	9	
<b>13.</b> Last Name	Character	17	
<b>14.</b> First Name	Character	11	
15. Middle Initial	Character	1	
<b>16.</b> Amount of Payment	Character	9	Zero Filled, 2 implied decimals.
<b>17.</b> Received Date	Character	8	MMDDYYYY
18. Filler	Character	10	
19. Correct Receipt No.	Character	12	correct receipt number for identifying the unidentified case.
<b>20.</b> Receipt Number	Character	12	Regular receipt number
21. Filler	Character	119	
	<b>Total</b>	<b>250</b>	

**Note: The highlighted number fields are mandatory.**

## ATTACHMENT 7

**Court Locations**

Court ID	Court Name	Address	City	Zip Code
Central Civil & Criminal Court	Criminal Courts Building	210 W. Temple St.	Los Angeles	90012
	Central Courthouse	111 North Hill Street	Los Angeles	90012
	Central Civil West	600 S. Commonwealth Avenue	Los Angeles	90005
	Central Arraignment Court	429 Bauchet St.	Los Angeles	90012
	Metropolitan Courthouse	1945 S. Hill Street	Los Angeles	90007
	Hollywood Courthouse	5925 Hollywood Blvd.	Los Angeles	90028
	East Los Angeles Courthouse	214 S. Fetterly Avenue	Los Angeles	90022
East District	East District Pomona Courthouse	400 Civic Center Plaza	Pomona	91766
	Pomona Courthouse	350 W. Mission Blvd	Pomona	91766
	Citrus Courthouse	1427 W. Covina Parkway-West	Covina	91790
	Rio Hondo Courthouse	11234 E. Valley Blvd.	El Monte	91731
Juvenile Justice Court	Children's Court	201 Centre Plaza Drive	Monterey Park	91754
	Eastlake Juvenile Courthouse	1601 Eastlake Avenue	Los Angeles	90033
	Inglewood Juvenile Courthouse	110 Regent Street	Inglewood	90301
	Los Padrinos Juvenile Courthouse	7281 E. Quill St.	Downey	90242
	San Fernando Valley Juvenile Courthouse	16350 Filbert St.	Sylmar	91342
	Kenyon Juvenile Justice Center	7625 S. Central Avenue	Los Angeles	90001
	Antelope Valley Juvenile Courthouse	1000 W. Avenue J	Lancaster	93534
Mental Health Department	Mental Health Department	1150 N. San Fernando Rd.	Los Angeles	90065
North Central District	Burbank Courthouse	300 E. Olive	Burbank	91502
	Glendale Courthouse	600 E. Broadway	Glendale	91206
Northeast District	Pasadena Courthouse	300 E. Walnut	Pasadena	91101
	Alhambra Courthouse	150 W. Commonwealth	Alhambra	91801
	Santa Anita Courthouse	300 W. Maple Avenue	Monrovia	91016
North District	Lancaster Courthouse	1040 W. Avenue J	Lancaster	93534
	Palmdale Courthouse	38256 Sierra Highway	Palmdale	93550
North Valley District	San Fernando Courthouse	900 Third Street	San Fernando	91340
	Chatsworth Courthouse	9425 Penfield Ave.	Chatsworth	91311
	Newhall Courthouse	23747 W. Valencia Blvd.	Valencia	91355
Northwest	Van Nuys Courthouse	14400 Erwin Street Mall	Van Nuys	91401
South	Long Beach Courthouse	415 W. Ocean Blvd.	Long Beach	90802

Court ID	Court Name	Address	City	Zip Code
	San Pedro Courthouse	505 S. Centre St.	San Pedro	90731
South Central District	Compton Courthouse	200 W. Compton Blvd.	Compton	90220
	Lynwood Regional Justice Center	11701 Alameda St.	Lynwood	90262
Southeast District	Norwalk Courthouse	12720 Norwalk Blvd.	Norwalk	90650
	Huntington Park Courthouse	6548 Miles	Huntington Park	90255
	Downey Courthouse	7500 E. Imperial Hwy	Downey	90242
	Los Cerritos Courthouse	10025 Flower St.	Bellflower	90706
	South Gate Courthouse	8640 California Avenue	South Gate	90280
	Whittier Courthouse	7339 S. Painter Avenue	Whittier	90602
Southwest District	Inglewood Courthouse	One Regent Street	Inglewood	90301
	Torrance Courthouse	825 Maple Avenue	Torrance	90503
West District	Santa Monica Courthouse	1725 Main Street	Santa Monica	90401
	Malibu Courthouse	23525 W. Civic Center Way	Malibu	90266
	Beverly Hills Courthouse	9355 Burton Way	Beverly Hills	90210
	Culver City Courthouse	4130 Overland Avenue	Culver City	90230
	West L.A. Courthouse	1633 Purdue Avenue	Los Angeles	90025
	Airport Courthouse	11701 S. La Cienega Blvd.	Los Angeles	90045

**ATTACHMENT 8**

**CONTRACT DISCREPANCY REPORT (CDR)**

1. USER COMPLAINT to be completed by COUNTY Project Manager (CPM)

Today's Date: \_\_\_\_\_

Contractor: \_\_\_\_\_

Phone Number: \_\_\_\_\_

CPM: \_\_\_\_\_

Date(s) of Unacceptable Performance: \_\_\_\_\_

Description of Unacceptable Performance :

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2. REVIEWED:

Signed: \_\_\_\_\_

Date: \_\_\_\_\_  
County Project Director (CPD)

3. Contractor RESPONSE (to be completed by Contractor Project Manager)

Date received from CPM: \_\_\_\_\_

Explanation for Unacceptable Performance:

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Corrective Action Taken:

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Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Contractor Project Manager

#### 4. INSTRUCTIONS

CPM: Forward CDR to the Contractor.

Contractor: Must respond to CPM in writing within five (5) working days of receipt of CDR.



## ATTACHMENT 9

Page 1 of 4

**PERFORMANCE REQUIREMENT SUMMARY**

This attachment lists the required services that will be monitored by LASC and the COUNTY during the term of the Agreement. The required standard of service, maximum allowable deviation from the performance standard, typical monitoring method, and action to be taken for exceeding the allowable deviation from the standard.

<b>PERFORMANCE REQUIREMENTS/ STATEMENT OF WORK REFERENCE</b>	<b>PERFORMANCE STANDARD</b>	<b>MAXIMUM ALLOWABLE DEVIATION</b>	<b>TYPICAL MONITORING METHOD</b>	<b>ACTION TO BE TAKEN</b>
Section 9.C Qualifying and non-qualifying accounts	Distinguish various account types	None	Audits; Analyze reports	CDR sent and corrective action requested.
Section 10.H.11 Internal Control Procedures	Appropriate control and separation of employees duties	None	On site audits	CDR sent and corrective action requested.
Section 10.H.2 Deposit of Collections	Timely deposits into County bank accounts	None	Analyze daily deposit slips, amount in deposited in County Bank Account and the sum of all payments on the Payment Report	Contractor payment reduction \$1000.00 each day of non- compliance.
Section 10.H.1.b Debtor Payments	All debtor payments shall be updated within 24 hours of receipt (except for unidentified payments)	None	Audits; Analyze reports	CDR sent and corrective action requested.

## ATTACHMENT 9

Page 2 of 4

**PERFORMANCE REQUIREMENT SUMMARY (Continued)**

<b>PERFORMANCE REQUIREMENTS/ STATEMENT OF WORK REFERENCE</b>	<b>PERFORMANCE STANDARD</b>	<b>MAXIMUM ALLOWABLE DEVIATION</b>	<b>TYPICAL MONITORING METHOD</b>	<b>ACTION TO BE TAKEN</b>
Section 9.B.1 - 13 Meet requirements of Penal Code Section 1463.007	Meet at least nine (9) of the components of Penal Code Section 1463.007	None	Site audits; Analyze reports	CDR sent and corrective action requested.
Section 9.F Collection Activities	In accordance with all State/Federal laws	None	Debtor complaints; review of collection practices	CDR sent and corrective action requested.
Section 6 Contractor's Project Manager	Prompt response to request; Timely problem resolution	None	Monitoring; Review of reports	CDR sent and corrective action requested.
Section 12.A Confidentiality	Employee Acknowledgement and Confidentiality Agreement	None	Review of reports; Complaints	CDR sent and corrective action requested.
Section 10.F.2.d Involuntary Methods of Collection	Institute bank levy; wage garnishments; etc.	On accounts not subject to involuntary payments	Complaints; Analyze reports	CDR sent and corrective action requested.

## ATTACHMENT 9

Page 3 of 4

**PERFORMANCE REQUIREMENT SUMMARY (Continued)**

<b>PERFORMANCE REQUIREMENTS/ STATEMENT OF WORK REFERENCE</b>	<b>PERFORMANCE STANDARD</b>	<b>MAXIMUM ALLOWABLE DEVIATION</b>	<b>TYPICAL MONITORING METHOD</b>	<b>ACTION TO BE TAKEN</b>
Section 10.H.10 Account Segregation	Separate LASC/COUNTY Accounts by court location and from all others clients	None	Audits; Analyze reports	CDR sent and corrective action requested.
Section 10.I.4 Debtor Complaints	Appropriate and timely responses to debtor complaints	None	Analyze complaints, reports, and logs	Payment reductions: first incident \$500.00, second incident \$1000.00 and “show cause” letter.
Section 10.L.2.a Submitting Invoices	Submit invoices in a timely manner	Five (5) business days	Analyze invoices	CDR sent and corrective action requested.
Section 9 &10 Generate Reports	Prepare various reports for LASC/COUNTY	Five (5) business days	Analyze reports	CDR sent and corrective action requested.
Section 10.L.9 Collection Fee	Compensation shall not exceed \$250 per account or 20% of the Appointed Counsel Registration Fee collected	None	Audits; Analyze reports	CDR sent and corrective action requested.

**ATTACHMENT 9**  
**Page 4 of 4****PERFORMANCE REQUIREMENT SUMMARY (Continued)**

Section 10.M.6.a Payment Information	Once each business day payment information shall be sent via electronic file and or computer/tape per specifications outlined in this Statement of Work.	None	Audits; Analyze reports	CDR sent and corrective action requested.
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## Los Angeles Superior Court Collection Services

### DELIVERABLES

Name	Media	Frequency	SOW Reference
<b>PLANS/PROCEDURES</b>			
Security and Control Procedures	Hard copy	Within 5 business days after execution of Agreement (Update to be submitted within 10 business days of any change)	Section 12, para. B
Written Quality Control Plan	Hard copy	Within 5 business days after execution of Agreement (Update to be submitted within 10 business days of any change)	Section 12, para. C
Procedures to inform individual LASC locations of debtor's court appearance dates (to be developed in conjunction with LASC)	Hard copy	Within 4 weeks after execution of the Agreement	Section 10, para. E.1.c
Written Internal Control Procedures	Hard copy	Upon execution of Agreement (Update to be submitted within 10 business days of any change)	Section 10, para. H.11
Transition plan	Hard copy	Within 5 business days after Execution of Agreement	Section 5.A.2
Formal corrective action plan (if LASC deems CONTRACTOR'S performance as unsatisfactory)	Hard copy	Within 5 business days after notification	Section 11.B

**DELIVERABLES (CONTINUED)**

<b>PERSONNEL</b>			
Name, address, and telephone number of CONTRACTOR'S Project Manager and alternate	Hard copy	Upon execution of Agreement (Update to be submitted within 24 hours of any changes)	Section 6, A.1
Current list of employees/management	Hard copy	Upon execution of contract, thereafter every 6 months unless requested sooner by COUNTY	Section 6, A.7
25 clerical staff to various LASC locations	-	Upon execution of Agreement	Section 8, A.1
Documentation that CONTRACTOR'S personnel have undergone and passed background and security investigation	Hard copy	Within 3 business days of assigning employee to provide services in conjunction with this Agreement	Section 7, .A.7
Signed Contractor Employee Acknowledgement and Confidentiality Agreement forms from all CONTRACTOR personnel providing services in conjunction with this contract.	Hard copy	Within 3 business days of assigning employee to provide services in conjunction with this Agreement	Section 12, .A
Representative for LASC collection meetings	-	Upon request	Section 8, A.5
<b>EQUIPMENT/TECHNOLOGY</b>			
For each clerical staff, a personal computer, at current industry standards, and all necessary computer peripherals including On-Line access to LASC accounts on CONTRACTOR'S database.	-	Within 4 weeks after execution of Agreement	Section 8, A.4

At each LASC location, a personal computer at current industry standard and/or all necessary peripheral equipment and software for On-Line access to LASC accounts on CONTRACTOR'S database	-	Within 4 weeks after execution of Agreement	Section 10, K.2.a
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**DELIVERABLES (CONTINUED)**

REPORTS/ACCOUNT INFORMATION			
Qualifying revenues and related costs by case number	Hard copy, e-mail, or electronic file	5th day of following month	Section 9, C
Non-qualifying revenues and related costs by case number	Hard copy, e-mail, or electronic file	5th day of following month	Section 9, C
<b>Immediate</b> notification of CONTRACTOR failure to meet the requirements of PC 1463.007	Hard copy	Within 24 hours of not Meeting the requirements of PC 1463.007	Section 9, D
Various ad hoc reports	Hard copy, e-mail, or electronic file	Within 5 business days of request	Section 9, E
Report of unidentified payments with any documents received with the payment (i.e. mailing envelope, enclosures) attached	Hard copy	1 <sup>st</sup> business day of following month	Section 10, H.3.b
Report of incorrectly applied payments listing correct cases where payments should be applied or if payments should be refunded.	Hard copy	Monday of following week	Section 10, H.4
Updated account information (i.e. address, telephone number, Social Security number, etc.)	Electronic file and/or computer tape	Within 3 days of request	Section 10, B & J
Immediate notification by phone of any verbal or written complaints	Verbal	Within 24 hours of complaint receipt	Section 10, I.4,b
Written notification of complaint to follow up phone notification	Hard copy	Within 3 business days of complaint receipt	Section 10, I.4.b



**DELIVERABLES (CONTINUED)**

<b>REPORTS/ACCOUNT INFORMATION (CONTINUED)</b>			
Written report of investigation of complaint	Hard copy	Within 14 business days of complaint receipt	Section 10, I.4.c
Master log of all complaints	Hard copy	5 <sup>th</sup> day of following month	Section 10, I.4.d
Payment files	Electronic file and/or computer tape	Once each business day.	Section 10, J
Uncollectible accounts files	Electronic file and/or computer tape	5 <sup>th</sup> day of following month.	Section 10, G.2, J.10 and 11
Return of all accounts, additional information relating to accounts, records and/or files pertaining to accounts	Electronic file and/or computer tape	Within 3 business days of Agreement termination	Section 10, N
Court appearance information to the individual LASC locations.	Hard copy	Once a day	Section 10, J.12
Summary listing of accounts referred in a given month	Hard copy	5 <sup>th</sup> day of following month	Section 10, M.5.a.1
Summary and detailed (e.g. by account number) description of account activity and status	Hard copy	5 <sup>th</sup> day of following month	Section 10, M.5.a.2
Summary description of month-to-date and year-to-date performance	Hard copy	5 <sup>th</sup> day of following month	Section 10, M.5.a.3

**DELIVERABLES (CONTINUED)**

<b>REPORTS/ACCOUNT INFORMATION (CONTINUED)</b>			
Detailed listing of all accounts deemed to be uncollectible	Hard copy	5th day of following month	Section 10, M.5.a.4
Listing of all currently active accounts for which collection is still being pursued	Hard copy	Within 3 business days of request	Section 10, M.5.a.5
<b>FINANCIAL INSTRUMENTS AND RELATED DOCUMENTS</b>			
All financial instruments, except credit cards remittances (e.g. cash, checks, etc.)	-	The same business day of their receipt	Section 10, H.1.a
Credit Card remittances	-	Within 3 business days of their receipt.	Section 10, H.1.d
Copies of deposit slips for each type of financial instrument	Hard copy	Once a day	Section 10, H.2
Hard copy payment report	Hard copy	Once a day	Section 10, M.6.a
<b>INVOICES</b>			
Invoices for revenue recovered by CONTRACTOR	Hard copy	5th day of following month	Section 10, L.2 and M.2
<b>MONITORING</b>			
Response to Contract Discrepancy Report (CDR) And correction of discrepancy	-	Within 5 business days of Notification by CPM	Section 11, A